

Treasury Department to each such State unemployment fund, and particularly to the unemployment administration fund of the State of New York; to the Committee on Ways and Means.

2951. Also, memorial of the Senate of the State of New York, requesting the Congress to enact into law with all convenient speed the Wagner-Rogers bill to allow for the entrance into this country in the next 2 years of 20,000 children from persecuted families in Germany; to the Committee on Labor.

2952. By Mr. MARTIN J. KENNEDY: Petition of Lodge No. 730, Brotherhood of Railway and Steamship Clerks, Poplar Bluff, Mo., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2953. Also, petition of System Council No. 18, International Brotherhood of Blacksmiths, Drop Forgers, and Helpers, Indianapolis, Ind., urging support of House bill 4862; to the Committee on Interstate and Foreign Commerce.

2954. Also, petition of Schering Corporation, Bloomfield, N. J., urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2955. By Mr. KEOGH: Petition of the Liberty Park Home Owners' Association of Ridgewood, Brooklyn, N. Y., concerning the Wagner-Rogers bill; to the Committee on Labor.

2956. Also, petition of the Chamber of Commerce of the State of New York, concerning Farm Act appropriations and research laboratories; to the Committee on Appropriations.

2957. Also, petition of the Social Service Employees' Union, New York City, concerning the Wagner-Rogers bill; to the Committee on Labor.

2958. Also, petition of the hospital of the New York Society for the Relief of the Ruptured and Crippled, concerning the Allen bill (H. R. 5119); to the Committee on Ways and Means.

2959. Also, petition of the South Miami School, South Miami, Fla., concerning House bill 3517 and Senate bill 1305, Federal aid for education; to the Committee on Education.

2960. Also, petition of the Allied Patriotic Societies, Inc., New York City, opposing Senate bill 1305 and House bill 3517, education aid bill; to the Committee on Education.

2961. By Mr. LEAVY: Petition of the town council of Oroville, Wash., transmitted by G. O. Potter, clerk, pointing out the need for restoration of purchasing power among the people to revive trade and bring about reemployment and deploring the inadequacy of the Social Security Act to accomplish these objectives, because it omits and discriminates against certain classes of citizens and urging the enactment of House bill 2, the Townsend national recovery plan, to fulfill these purposes; to the Committee on Ways and Means.

2962. By Mr. PFEIFER: Petition of the Anthony Wayne Oil Corporation, Fort Wayne, Ind., concerning pending neutrality legislation; to the Committee on Foreign Affairs.

2963. Also, petition of the Brooklyn Army Base Local, No. 43, of the United Federal Workers of America, favoring the passage of House bill 960; to the Committee on the Civil Service.

2964. Also, petition of the Allied Patriotic Societies, Inc., New York City, opposing the so-called education bill (S. 1305 and H. R. 3517); to the Committee on Education.

2965. Also, petition of the Namm Store, Brooklyn, N. Y., concerning the Wagner-Rogers bill; to the Committee on Labor.

2966. Also, memorial of the State Assembly, Legislature of the State of New York, concerning amendments to the Social Security Act; to the Committee on Ways and Means.

2967. Also, memorial of the State Senate, Legislature of the State of New York, favoring postage rates on books the same as those rates on magazines and newspapers; to the Committee on Ways and Means.

2968. Also, petition of the Chamber of Commerce of the State of New York, concerning adequate appropriation be included in the Farm Act for more research laboratories; to the Committee on Appropriations.

2969. Also, petition of the Social Service Employees' Union, New York City, with reference to the Rogers-Wagner bill; to the Committee on Labor.

2970. Also, petition of the Hospital of the New York Society for the Relief of the Ruptured and Crippled, New York City, concerning amendment to the Coal Act; to the Committee on Interstate and Foreign Commerce.

2971. By Mr. RICH: Petition of citizens of Clinton County, Pa., favoring the passage of House bill 2; to the Committee on Ways and Means.

2972. By Mr. WELCH: Resolution passed by the Board of Supervisors of the City and County of San Francisco, authorizing Government purchase and development of Hunters Point drydock; to the Committee on Appropriations.

2973. Also, resolution passed by the Board of Supervisors of the City of San Francisco, protesting against the establishment of title of the United States to certain submerged lands containing petroleum deposits; to the Committee on the Public Lands.

2974. Also, resolution passed by the Board of Supervisors of the City and County of San Francisco, requesting the United States Maritime Commission to promote shipbuilding in Pacific coast yards; to the Committee on Merchant Marine and Fisheries.

2975. Also, resolution passed by the Board of Supervisors of the City and County of San Francisco, memorializing Congress to enact intercoastal shipping subsidy; to the Committee on Merchant Marine and Fisheries.

2976. By the SPEAKER: Petition of the Ninth District Petroleum Industries Committee, Birmingham, Ala., petitioning consideration of their resolution with reference to 4 cents per gallon Federal lubricating oil tax; to the Committee on Ways and Means.

2977. Also, petition of Florence McGourty, president of the Business Girls Club of the Young Women's Christian Association, Seattle, Wash., petitioning consideration of their resolution with reference to the Wagner-Rogers bill; to the Committee on Immigration and Naturalization.

## SENATE

TUESDAY, MAY 9, 1939

(Legislative day of Monday, May 8, 1939)

The Senate met at 12 o'clock m., on the expiration of the recess.

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

O God, whose never-failing providence ordereth all things both in heaven and earth: Absolve, we beseech Thee, Thy people from all their offenses and breathe on us here the spirit of Thy calm ere we undertake the exacting duties of today. We have known the gladness that departs at touch of sorrow; we have seen the light that was swallowed up of darkness and have heard the music that was silenced in sobbing, garments of experience and beautiful for a season; but now we would go to life's very soul and find the joy that can dwell with sorrow, the light that shines in darkness, and the music that is born of pain. Grant that we may look even upon despair with the unveiled eyes of hope that is woven not of dreams but of the imperishable tissue of reality, and discern the master light of all our seeing in the face of the Christ of our daily experience. In His name we ask it. Amen.

### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, May 8, 1939, was dispensed with, and the Journal was approved.

### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

## CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.  
The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	Johnson, Calif.	Radcliffe
Andrews	Davis	Johnson, Colo.	Reed
Ashurst	Donahay	King	Reynolds
Austin	Downey	La Follette	Russell
Bankhead	Ellender	Lee	Schwartz
Barbour	Frazier	Lodge	Schwellenbach
Barkley	George	Logan	Sheppard
Bilbo	Gibson	Lucas	Shipstead
Bone	Gillette	Lundeen	Slatery
Borah	Glass	McKellar	Smathers
Bridges	Green	McNary	Smith
Brown	Guffey	Maloney	Stewart
Bulow	Gurney	Mead	Taft
Burke	Hale	Miller	Thomas, Okla.
Byrd	Harrison	Minton	Thomas, Utah
Byrnes	Hatch	Murray	Tobey
Capper	Hayden	Norris	Townsend
Caraway	Herring	Nye	Tydings
Chavez	Hill	O'Mahoney	Vandenberg
Clark, Idaho	Holman	Overton	Wagner
Clark, Mo.	Holt	Pepper	Walsh
Connally	Hughes	Pittman	Wheeler

Mr. MINTON. I announce that the Senator from Indiana [Mr. VAN NUYS] is detained from the Senate because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from West Virginia [Mr. NEELY], and the Senator from Missouri [Mr. TRUMAN] are detained on important public business.

The Senator from Nevada [Mr. McCARRAN] is absent on official business for the Committee on the Judiciary.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4653. An act to amend an act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia, to provide penalties, to prescribe rules of evidence, and for other purposes," approved July 8, 1932;

H. R. 4654. An act to amend an act entitled "An act for the establishment of a probation system for the District of Columbia," approved June 25, 1910;

H. R. 4745. An act relating to benefit assessments from condemnation proceedings for the opening, extension, widening, or straightening of alleys or minor streets;

H. R. 5516. An act for the relief of Charlotte E. Hunter;

H. R. 5801. An act to grant permission for the construction, maintenance, and use of a certain underground conduit for electrical lines in the District of Columbia;

H. R. 5987. An act to amend the District of Columbia Traffic Act of 1925 (43 Stat. 1119); and

H. R. 6149. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1940, and for other purposes.

## ENROLLED JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled joint resolutions, and they were signed by the Vice President:

S. J. Res. 111. Joint resolution designating August 19 of each year as National Aviation Day; and

H. J. Res. 221. Joint resolution authorizing the President to invite other nations to participate in the Sacramento Golden Empire Centennial commemorating the one hundredth anniversary of the founding of Sacramento by Capt. John A. Sutter.

## RELIEF OF CERTAIN OFFICERS OF VETERANS' ADMINISTRATION

The VICE PRESIDENT laid before the Senate a letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to relieve disbursing officers and certifying officers of the Veterans' Administration from lia-

bility for payment where recovery of such payment is waived under existing laws administered by the Veterans' Administration, which, with the accompanying paper, was referred to the Committee on Finance.

## PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of Wisconsin, which was referred to the Committee on Appropriations:

## Assembly Joint Resolution 7

Joint resolution memorializing the Congress of the United States to appropriate adequate funds for Works Progress Administration projects for relief of the needy, and to prohibit continued diversion of such funds for political purposes

Whereas early in February 1939 the Congress of the United States appropriated for anticipated relief projects to June 30, 1939, a sum of money \$150,000,000 less than the \$875,000,000 recommended by the President for that purpose; and

Whereas an executive bill is now pending in the Congress for an additional appropriation of \$150,000,000 for such purposes; and

Whereas congressional investigations have disclosed that moneys previously appropriated for the express purpose of relieving the needy and distressed were diverted and used in various States to strengthen political alliances and further political ambitions of individuals seeking political office; and

Whereas statistical records show that relief rolls have mounted to a high peak immediately before elections and thereafter sharply declined; and

Whereas it has become a matter of general knowledge that workers on Works Progress Administration projects have been directly or indirectly coerced to vote along political lines; and

Whereas such political activities in connection with the use of Works Progress Administration funds necessarily must have substantially reduced the amount of money available and applied for relief of those actually in need and in distress; and

Whereas such diversion of Works Progress Administration funds undoubtedly has resulted in increased hardship and distress to those for whom such diverted money was intended; and

Whereas this legislature recognizes the obligation to provide for those unfortunate unemployed and needy who have been so shamefully disregarded by the unscrupulous: Now, therefore, be it

*Resolved by the assembly (the senate concurring),* That this legislature, protesting against the continued diversion of Works Progress Administration funds for political purposes, respectfully memorializes the Congress of the United States to enact effective legislation prohibiting such diversion; and be it further

*Resolved,* That any additional funds appropriated by the Congress of the United States for Works Progress Administration projects be limited to an amount which is adequate to carry out anticipated relief projects to June 30, 1939, for the relief of the needy and distressed; and be it further

*Resolved,* That properly attested copies of this resolution be sent to the President of the United States, to both Houses of the Congress of the United States, and to each Wisconsin Member thereof.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of Wisconsin, which was referred to the Committee on Education and Labor:

## Assembly Joint Resolution 40

Joint resolution memorializing Congress to amend the Walsh-Healey Act so as to provide more stringent conditions for the purchase of supplies and the making of contracts by the United States

Whereas the Walsh-Healey Act provides in part that all Government specifications and contracts involving the purchase of \$10,000 or more of supplies must contain provisions for the payment of a prevailing rate of wages to be determined by the Secretary of Labor and that employees of contractors must not work more than 8 hours in any day or 40 hours in any week; and

Whereas such act is designed to obtain social benefits from a public policy based on the limitation of expenditure of Government funds to contractors who apply fair labor conditions and that decent and general labor standards may be applied on governmental projects regardless of geographical location; and

Whereas operation under such act indicates that somewhat more than 10 percent of the total Government purchases are made thereunder and that industry has capitulated to the principles thereof; and

Whereas the Walsh-Healey Act by definition has not included manufacturers who now supply the Government through dealers, subcontractors, service contractors, and by its limitations to contracts of \$10,000 or more and the indefinite prevailing wage rate has thereby permitted circumvention and evasion of the terms thereof; and

Whereas the differential in wages permitted in various States under the prevailing wage rate has made it both impractical and impossible for the industries of Wisconsin paying a fair wage rate to competitively and successfully bid on Government contracts; and

Whereas it is manifestly unjust that the industry of a State maintaining a respectable wage rate in conformity with the policy



of the act should be penalized by losing contracts, thereby creating local unemployment, to industries of other States unscrupulously availing themselves of technical loopholes; and

Whereas Federal Labor Union, Local No. 18456, of Kenosha, Wis., through its committee, has given much time and study to the subject and respectfully urges the Congress of the United States to enact legislation that will place the industry of the entire country on an equal and commensurate wage plane, include the regular dealer in supplies to be manufactured, subcontractors, and service contractors, and define more minutely and rigorously the minimum wages to be paid under the prevailing rate to persons employed in similar work in the particular or similar industries of the country: Now, therefore, be it

*Resolved by the senate (the assembly concurring),* That this legislature respectfully petitions and urges the Congress of the United States to enact necessary legislation to impose more stringent and rigorous conditions to prevent evasion and circumvention of the Walsh-Healey Act in the purchase of supplies and the making of contracts by the United States; be it further

*Resolved,* That properly attested copies of this resolution be sent to the President of the United States, to both Houses of Congress, and to each Wisconsin Member thereof.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of Wisconsin, which was referred to the Committee on Military Affairs:

Assembly Joint Resolution 49

Joint resolution memorializing the Congress of the United States to adopt H. R. 4723, to correct the military record of Oberlin M. Carter

Whereas James W. Beckman, an overseas veteran of the World War, who was responsible for important court-martial reforms in 1919, made an open, public charge in the press of our country on October 10, 1938, that Capt. Oberlin M. Carter, Corps of Engineers, United States Army, was convicted by court martial on September 29, 1899, of a crime which never existed; and that his conviction by court martial was not justified by any evidence ever adduced before his court martial, but was obtained by means of a secret trial conducted by the then Attorney General of the United States, John W. Griggs, in the absence of Captain Carter and after his court martial had adjourned sine die, where forged and perjured evidence was manufactured and used against him in violation of the sixth amendment of the Constitution; and

Whereas the War Department of the United States has kept silent in the face of the awful charges of Mr. Beckman affecting his integrity; and

Whereas a solicitor general of the United States, in an effort to prevent the disclosure of the truth in this case, has held that when a soldier is deprived of his constitutional rights by a court martial, "the question is not one of general importance"; and has held further, in the United States the civil courts have no power to "set aside and declare void sentences of such courts martial because of . . . fraud in their proceedings"; and

Whereas Col. F. G. Munson, who stated that he represented the Judge Advocate General before the House Military Affairs Committee, testified that he saw "nothing illegal whatever" in using data which "does not appear in the court-martial record" in order to convict an accused on trial before that court martial; and

Whereas it is the sense of this legislature that those who serve in the armed forces of our country should not thereby be deprived of their constitutional rights to a fair trial, of the right to "confront the witnesses against them"; and

Whereas the special committee on the bill of rights of the American Bar Association said on January 17, 1939, of this very case: "As the injustice presented by your statement of this case is likely to recur, it seems to us to be a matter for legislation in the nature of the general bill proposed": Now, therefore, be it

*Resolved by the assembly (the senate concurring),* That this legislature urge the Congress of the United States to enact into law H. R. 4723, now pending before the House of Representatives, so as to show the judgment of court martial in the case of Oberlin M. Carter was unlawful; be it further

*Resolved,* That properly attested copies of this resolution be sent to the President of the United States, to both Houses of Congress, and to each Wisconsin Member thereof.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the Territory of Hawaii, which was referred to the Committee on Military Affairs:

Senate Concurrent Resolution 16

*Be it resolved by the Senate of the Legislature of the Territory of Hawaii (the house of representatives concurring),* That the Congress of the United States of America and the War Department of the United States be, and they hereby are, respectfully requested to take such steps as may be necessary to establish in the United States Army a regiment of infantry, to be known as the "Hawaiian Regiment," composed entirely of citizens who for at least 3 years have been residents in the Territory of Hawaii, and to be stationed in said Territory; and be it further

*Resolved,* That certified copies hereof be forthwith forwarded to the President of the Senate and the Speaker of the House of Representatives of the Congress and to the Secretary of War.

The VICE PRESIDENT also laid before the Senate a resolution of the Board of Supervisors of Shasta County, Calif., favoring the enactment of legislation for the control of debris from the mud flow from Mount Shasta as a part of, or in connection with, the Central Valley project, the operation to be at the sole expense of the Government, which was referred to the Committee on Commerce.

He also laid before the Senate resolutions of the Maryland Osteopathic Association, the New Jersey Osteopathic Society, the Ohio Society of Osteopathic Physicians and Surgeons, the Tennessee Divisional Society of the American Osteopathic Association, and the Vermont Osteopathic Association, favoring amendment of the so-called Wagner national health bill (S. 1620) so as to preserve the freedom of choice of the physician and school of practice to persons entitled to medical care, and providing osteopathic representation on Federal and State advisory councils, which were referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of Townsend Club No. 1, of Traverse City, Mich., protesting against any discriminatory or punitive taxation of business on account of the size of certain enterprises, and also the alleged tendency of the Government to engage in business in competition with private citizens or corporations, and further favoring the enactment of House bill 2, a general-welfare plan providing old-age assistance, which was referred to the Committee on Finance.

Mr. HUGHES presented a resolution adopted by the Congregation Temple of Truth, of Wilmington, Del., favoring the adoption of a pending resolution permitting the immigration of certain refugee children from Germany to the United States, which was referred to the Committee on Immigration.

Mr. SHEPPARD presented the following concurrent resolution of the Legislature of Texas, which was referred to the Committee on Public Lands and Surveys:

House Concurrent Resolution 27

Whereas during the past and present sessions of Congress bills and resolutions have been introduced into the Congress of the United States of America claiming, directly and by implication, that the United States of America has sovereign rights to and is the owner of all lands, oil, and mineral reserves under water along the coast line of the United States extending out to the 3-mile limit; and

Whereas there is now pending in Congress Senate Joint Resolution No. 24, by Senator Nye, which asserts that title and ownership of said lands and said oil reserves is vested in the United States of America instead of the various individual States of the United States; and

Whereas title to such land is by right and by law vested in the several States and their grantees and they cannot be deprived of their rights to the ownership of such land without just compensation; and

Whereas Senate Joint Resolution No. 24 asserts title to said land and undertakes to appropriate the oil reserves along such coast line extending out to the 3-mile limit for the use and benefit of the United States Navy; and

Whereas the State of Texas, in its Treaty of Annexation to the United States, specifically reserved all of its lands and the public domain of the State of Texas extending along the coast line into the Gulf of Mexico 3 leagues from shore and has heretofore, by legislative enactment and by constitutional provision, conveyed title to all of said submerged land along the coast line of the Gulf of Mexico to the permanent school fund of the State of Texas, and that the title to said land, together with all mineral rights thereunder, is now vested in the permanent school fund of the State of Texas as an endowment of public education for the use and benefit of the public-school system of the State of Texas, and that there is now estimated to be oil resources vested in said fund to the extent of at least \$100,000,000: Now, therefore, be it

*Resolved by the house of representatives (the senate concurring),* That the adoption by the Congress of the United States of any legislation, directly or indirectly, that the United States has a sovereign title to and ownership of lands under navigable waters or any of the mineral deposits thereunder, or authorizing any suit or other proceeding by Federal officers to obtain possession or use of such lands or mineral deposits without the payment of a just compensation is contrary to law and sound policy and should be opposed; and be it further

*Resolved,* That Gerald Mann, attorney general of the State of Texas; Bascom Giles, land commissioner; R. A. Stuart, attorney for the Texas State Teachers Association; Gen. Claude V. Birkhead, representative of Gov. W. Lee O'Daniel; and Coke R. Stevenson, Lieutenant Governor, be, and they are hereby, authorized to oppose, in the name and on behalf of the State of Texas and of the permanent school fund and the school children of the State of

Texas, the adoption of any such legislation by Congress, and in connection therewith to furnish copies of this resolution to such committees and Members of Congress as may be appropriate or desirable, to prepare briefs and memoranda in opposition to such legislation, and submit the same to Members of Congress and to the committees considering said resolution, and to appear in opposition thereto at any hearing, and generally to take such steps as may be necessary to carry out the intent and spirit of this resolution; and be it further

*Resolved*, That we assert ownership to said lands and the natural resources thereof, to be vested in the permanent school fund of the State of Texas, and that we urgently request and petition our representatives in Congress from the State of Texas and other representatives in Congress to defeat the Nye resolution or any other resolution that undertakes to interfere with the title or possession of said land or any operation thereof for the use and benefit of the public free schools of the State of Texas.

Mr. PEPPER presented the following memorials of the Legislature of Florida, which were referred to the Committee on Agriculture and Forestry:

#### House Memorial 3

Memorial to Congress requesting that the Congress of the United States by some appropriate method give relief to the several counties of the State of Florida for the loss of taxes sustained by counties of Florida in which Federal agencies have acquired lands, thereby striking same from the tax rolls of said respective counties

Whereas during the last several years, and particularly the last 5 years, various agencies of the United States Government, and particularly the Department of Agriculture, have by purchase, condemnation, or exchange acquired sizable tracts of land in numerous counties in the State of Florida; and

Whereas by virtue of such acquisition said lands have been by operations of Federal law stricken from the tax rolls of the counties in which said lands are located; and

Whereas said counties have therein and thereby been deprived of substantial sums of money which would have been paid into them as taxes had such acquisition not been made, thereby resulting in great financial loss to said counties; and

Whereas such a loss of revenue has resulted in said counties now being confronted with chaos and embarrassment; and

Whereas the projects are for the benefit of the State and Nation rather than the counties: Now, therefore, be it

*Resolved*, That the Congress of the United States in its wisdom pass and appropriate relief legislation for the use and benefit of the several counties of the State of Florida in which said acquisition of real estate has reduced the tax income of said counties, and that such relief legislation provide to such counties an appropriation equal to the amount of taxes which would accrue to said county if the lands were owned by individuals; be it further

*Resolved*, That a copy of this memorial, under the great seal of the State of Florida, be immediately forwarded by the secretary of state to the President of the United States of America, to the President of the United States Senate, to the Speaker of the House of Representatives of the United States Congress, to the Secretary of Agriculture of the United States, and copies to be forwarded to the delegation representing the State of Florida in both the House and Senate of the United States Congress; be it further

*Resolved*, That a copy of this resolution be spread upon the journal in both the house of representatives and the State senate, and that sufficient copies be furnished to the press.

#### House Memorial 4

Requesting that the Congress of the United States of America, without further delay, pass H. R. 3747, entitled "An act to provide for improved agricultural land utilization by authorizing the rehabilitation of drainage works," introduced by WALL DOXEY, of Mississippi

Whereas this bill provides for improved agricultural land utilization by authorizing the rehabilitation of drainage works in the several States; and

Whereas it would provide an exceptional opportunity to perfect plans for the solution of acute problems confronting our drainage districts through Federal cooperation, which has heretofore only been available to the arid and semiarid Western States; and

Whereas such Federal assistance will result in the improvement and utilization of the agricultural land drained; and

Whereas the bill in question provides for an annual appropriation of \$10,000,000 for each of the fiscal years ending June 30, 1939, June 30, 1940, June 30, 1941, and June 30, 1942: Now, therefore, be it

*Resolved*, That it is the sense of the memorialists, the members of the Florida Legislature, that the Congress of the United States of America should enact the bill without further delay; be it further

*Resolved*, That a copy of this memorial, duly authenticated, be sent by the secretary of state to the President of the Senate, to the Speaker of the House of Representatives of the United States, to each Senator and Representative in Congress from this State, to the President of the United States, and to Congressman WALL DOXEY, of Mississippi.

#### House Memorial 6

Memorial to Congress requesting that the Congress of the United States, by appropriate legislation, authorize and empower the Surplus Commodities Corporation to purchase, handle, and dispose of sea foods and the products thereof

Whereas it is recognized by all that the sea food industry of Florida represents to this great State one of its basic industries, providing employment for many thousands of people who contribute much toward the economic well-being of the State; and

Whereas the industry is now beset by many perils, chief among which is an unstable market, due largely to the accumulation of surpluses of all varieties of sea foods in the freezers and cold-storage plants throughout the Nation, and because of the activities of the Federal Government in making the American public "agriculture conscious"; and

Whereas it has been determined to be the consensus of those identified with the industry in the State that something must be done immediately to preserve the continuation of this industry founded upon the ingenuity, resourcefulness, and determination of the men engaged: Now, therefore, be it

*Resolved by the Legislature of the State of Florida, now in session at Tallahassee, Fla.*, That the Congress of the United States be and is hereby memorialized to bring about the immediate enactment of such legislation as will authorize the Federal Surplus Commodities Corporation to buy sea food products on a parity basis with that authority the agency now has to buy other agricultural products and, further, that the legislation so enacted provide the necessary funds therefor; be it further

*Resolved*, That the Congress of the United States be, and is hereby, memorialized to enact legislation of such type as will provide funds for the use of the Bureau of Fisheries for an extended advertising program and educational campaign which shall be designed to increase the consumption of sea food products; be it further

*Resolved by the Legislature of the State of Florida now in session*, That copies of this resolution be dispatched immediately to the honorable President of the United States Senate, the honorable Speaker of the House of Representatives, the honorable Senators and Representatives from the State of Florida with the request that this resolution be read and inserted into the CONGRESSIONAL RECORD.

#### House Joint Memorial 7

To the Honorable Franklin D. Roosevelt, President of the United States, and the Honorable Senate and House of Representatives of the United States in Congress assembled:

We, your memorialists, the Senate and House of Representatives of the State of Florida, in legislative session assembled, do most respectfully memorialize and petition your honorable bodies as follows:

Whereas there is situated within the Everglades drainage district in the State of Florida a large body of fertile lands; and

Whereas a good portion of these lands are of peat and muck formation, which, when the same become dry, are more or less inflammable, and when fires once start in such area it is practically impossible to extinguish the same with the equipment and methods now in use for such purpose; and

Whereas the Legislature of the State of Florida has created an Everglades fire control district, but the officers of such district are operating under a great handicap by reason of the lack of information with reference to the best method to pursue in adopting a permanent plan of fire protection in the enormous territory embraced in said Everglades drainage district by reason of the lack of information as to the best methods to pursue in extinguishing fires when started in said district; and

Whereas these immensely rich muck lands and the preservation thereof are of national interest and the destruction thereof by fire is and will be a Nation-wide loss; and

Whereas there are thousands of acres of these fertile lands that are being destroyed yearly by fires; and

Whereas there is imminent danger of all the uncultivated portions of this tremendous area of muck lands being destroyed in the future by fire; and

Whereas it is the belief of the Legislature of the State of Florida that if a survey was made by the United States Government of the entire Everglades drainage district for the purpose of determining and suggesting a permanent plan for the prevention of fires in said district, and further for the purpose of determining the best method of fighting such fires when the same once start; that such a survey would be of untold benefit in the preservation of such land, and therefore would be helpful to the entire Nation: Now, therefore, be it

*Resolved*, That your memorialists, the Senate and House of Representatives of the State of Florida, do respectfully memorialize and petition the Congress of the United States of America to cause a survey to be made of the Everglades drainage district for the purpose of supplying information as to the best method or plans to be adopted for the permanent protection of the lands within said district from destruction by fire and for the further purpose of obtaining information for formulating plans as to the best method to fight fires in such district when the same are once started; and that such survey be made by such governmental agency and in such manner as the Congress may direct; and that the Congress appropriate such sum of money as may be necessary to carry into effect such survey; and be it further



*Resolved*, That copies of this memorial be immediately transmitted to the President of the United States and the Senate and House of Representatives of the United States and to each Senator and Representative in Congress from the State of Florida.

Mr. ANDREWS presented four memorials identical with the foregoing, which were referred to the Committee on Agriculture and Forestry.

The VICE PRESIDENT laid before the Senate four memorials identical with the foregoing, which were referred to the Committee on Agriculture and Forestry.

Mr. PEPPER also presented the following memorial of the Legislature of Florida, which was referred to the Committee on Foreign Relations:

#### House Memorial 5

Requesting the Congress to enact appropriate legislation to prohibit the exportation of scrap iron and other materials designed for armaments to aggressor nations who are dominated by dictators and militaristic leaders

Whereas in Europe and Asia certain nations are dominated by dictators and militaristic factions who are heavily arming and preparing for war and aggression against peace-loving and democratic nations; and

Whereas this Nation is permitting large shipments of scrap iron and other war materials to be exported to such aggressor nations; and

Whereas the present profits realized from such exports fail to take into account the misery and human suffering that is resulting and will result from such exportations: Be it

*Resolved by the house of representatives (the senate concurring):*

SECTION 1. That your memorialists, the members of the Florida Legislature, petition and memorialize the Congress to enact legislation to prohibit the shipping of scrap iron and other material designed for armaments to aggressor nations dominated by dictators and militaristic factions.

SEC. 2. That a copy of this memorial, bearing the great seal of this State, be transmitted to the President of the United States, to the President of the United States Senate, to the Speaker of the House of Representatives of Congress, and each member of the Florida delegation in Congress.

The VICE PRESIDENT laid before the Senate a memorial identical with the foregoing, which was referred to the Committee on Foreign Relations.

Mr. PEPPER also presented the following concurrent resolution of the Legislature of Florida, which was referred to the Committee on Post Offices and Post Roads:

#### House Concurrent Resolution 6

A resolution urging the Civil Aeronautics Authority of the United States to grant an appropriate application providing for air-mail and transportation service between the cities of Tallahassee and Orlando, Fla., by way of Ocala

Whereas it has come to the attention of the legislature that the Civil Aeronautics Authority of the United States Government is now considering, or will consider, the granting of an application providing for air mail and transportation service between the cities of Orlando and Tallahassee, Fla., by way of Ocala; and

Whereas air-mail and passenger service over the proposed route will serve as a connecting link at both of the aforesaid terminals with air transportation service now in existence; and

Whereas air passenger service over the proposed route will greatly facilitate the travel of those in central and south Florida who find it both necessary and desirous to travel to and from Tallahassee, the capital of the State of Florida; and

Whereas the proposed route will render to the entire State of Florida a much-needed and desired air mail and passenger transportation service: Now, therefore, be it

*Resolved by the house of representatives (the senate concurring):*

SECTION 1. That the Civil Aeronautics Authority of the United States Government be and it is hereby respectfully petitioned and requested to consider favorably and grant an appropriate application for the establishment of air mail and transportation service between the cities of Tallahassee and Orlando, Fla., by way of Ocala.

SEC. 2. That upon the adoption of this resolution by both the senate and house of representatives, the clerk of the house of representatives shall immediately transmit certified copies thereof to the Civil Aeronautics Authority of the United States, the Post Office Department of the United States, United States Senators CHARLES O. ANDREWS and CLAUDE PEPPER, and United States Congressmen from Florida, MILLARD CALDWELL, LEX GREEN, PAT CANON, JOE HENDRICKS, and HARDIN PETERSON.

#### EMBROIDMENT IN FOREIGN WARS—PETITIONS

Mr. CAPPER. Mr. President, I present for reference to the Committee on Foreign Relations 50 petitions asking for legislative action tending to keep the United States from embroilment in foreign wars. The petitions are from citizens of the following communities in Kansas: Cimarron, Goessel, Hillsboro, Newton, Canton, Elkhart, Galesburg, Thayer, Humboldt, Burton, Sedgwick, Halstead, Bentley, Garden City, Scott City, Modoc, Marienthal, Clay Center, Green, Lasita, Bala, Eureka, Emporia, Reading, Admire, Marion, Lincolnville,

Saffordville, Edgerton, Burdett, Sterling, Hutchinson, Atchison, Smith Center, Athol, Iola, Frankfort, Wichita, Plains, and Altamont.

The VICE PRESIDENT. Without objection, the petitions will be received and referred as requested by the Senator from Kansas.

Mr. CAPPER. Mr. President, I ask unanimous consent to have inserted at this point in my remarks excerpts from a half dozen letters typical of the thousands of the letters I have received on this subject.

The VICE PRESIDENT. Without objection, it is so ordered.

The letters referred to are as follows:

POMONA, KANS., March 24, 1939.

DEAR SENATOR: I think we as Americans have a plenty to do to guide our own Nation in the right path. If we do that and get it done as it ought to be done, we will have a great big job. And then we will not have time to run some other nation's affairs. As for war, I never was for war, and I am not now nor ever will be. War is only hatred, jealousy, and strife. It only makes destruction, disease, poverty, and sadness—everything else only happiness and good will. If the leaders of each nation had to do the fighting themselves, there wouldn't be so many wars. Our boys and men of the common rank of life shouldn't, then, be forced to slay one another in this enlightened generation.

Mrs. R. A. McEATHRON.

PITTSBURG, KANS., April 23, 1939.

Hon. Senator CAPPER,  
Washington, D. C.

DEAR SENATOR CAPPER: We are wondering if you gentlemen in Washington realize the extent of the responsibility resting upon you.

Indirectly you hold in your hands the lives of our boys, and we are depending on you to see to it that they are not sacrificed to the warmongers. We are trusting you to keep us out of all foreign entanglements.

We have three boys, for whom we made many sacrifices, educating them to be useful and honorable members of society. And we would feel that our lives had, indeed, been lived in vain if they could serve no better purpose than to engage in one of Europe's ignoble wars. We are expressing not only our own sentiments but also the sentiments of thousands and thousands of parents in the great Middle West.

In the name of the God of Peace, we implore you to fulfill the duties of your high office and keep us out of war.

Sincerely yours,

Mr. and Mrs. E. B. RIORDAN.

THE GENERAL CONFERENCE OF THE MENNONITE  
CHURCH OF NORTH AMERICA,  
North Newton, Kans., April 29, 1939.

Hon. ARTHUR CAPPER,  
Kansas Member of the United States Senate,  
Washington, D. C.

DEAR SENATOR CAPPER: Since our country is in danger of being drawn into another European war, with all of its terrible consequences, I am making use of the privilege granted me by the United States Constitution "to petition the Government" and ask you, our representative in Congress, to use your full influence and power in helping set up bars that will keep us out of such a war.

To be more specific, kindly help strengthen, not weaken, the Neutrality Act.

Follow the sound foreign policy laid down by Washington of avoiding foreign entanglements and alliances.

Stop all loans or credit advances to foreign governments at war.

Enact effective legislation to take the profits out of war.

Keep our battleships and our soldiers out of foreign war zones.

Stop all shipments of war supplies to Japan or any other nation engaged in war.

Submit to the people for early ratification the war-referendum amendment.

Very respectfully yours,

J. R. THIRSTEIN.

HUTCHINSON, KANS., April 28, 1939.

Hon. ARTHUR CAPPER,  
United States Senate, Washington, D. C.

DEAR SENATOR: Enclosed find copy of resolutions adopted by the Reno County Council of Women of Federated Clubs for your consideration.

Your cooperation in this matter will be greatly appreciated.

Yours very truly,

Mrs. L. H. WARNER,  
President of Reno County Council.

#### RESOLUTIONS

Whereas we, the undersigned, are opposed to being drawn into an aggressive war: Therefore

*Resolved*, That we are not in favor of any bill or legislation of any kind which might entangle us in the European situation.

Respectfully submitted.

THE RENO COUNTY (KANS.) COUNCIL OF WOMEN'S CLUBS,  
By Mrs. LAWRENCE HAINES,  
Mrs. JOHN SHIVE,  
Mrs. GUY HOUSTON, Committee.

APRIL 17, 1939.

DEAR SENATOR CAPPER: We listen to your broadcast every Sunday and appreciate your stand very much on your neutrality law, to keep us out of war with Europe. We are for a neutrality law that will keep us out of all alliances or entanglements with Europe. We raised three boys that will defend America, but will not be cannon fodder for any European nation whatever! And we are all opposed to a cash and carry neutrality law. We thank you very much and hope you will do all you can.

Yours truly,

Mr. and Mrs. ANDREW FEHRENBACH,  
Bethel, Kans.

SYCAMORE VALLEY FARMS,  
MRS. R. P. GILES & SONS, Owners,  
Sadieville, Ky.

Senator ARTHUR CAPPER,  
Washington, D. C.

DEAR SIR: First, let me say I am what you would call an average farmer. I obey the laws of my country, not because I have to, but because I want to.

I may not know what the majority of the citizens in the Nation want for foreign policy, but I do know what the citizens in my own community want. A foreign policy that worked for one and one-quarter centuries should not be discarded. We are backing you.

The foreign policy of our Nation should be what the majority of the people want, and not what the President and some of our diplomats want us to have.

Americans owe Europe nothing. Our best contribution to peace in the world lies in minding our own business. Saber rattling in Washington [I wonder what Mr. Giles thought of the parade last Friday] is not doing that. We are for strong defensive power, power to defend our own boundaries, but not to police the world.

Respectfully yours,

T. W. GILES.

P.S.—I forgot to mention that being landowners through here, and with taxes steadily increasing, I think now is the time that the Nation's leaders—now in effect "sicking" Europe on to fight—keep their minds on America's real problems. Don't you?

Mr. CAPPER. Mr. President, I received yesterday and in this morning's mail nearly 1,000 petitions, some of them signed by hundreds of persons, urging that the Congress keep the United States from becoming involved in the European war that they believe is impending. In the past few weeks I have received thousands of such petitions, and also thousands of letters and some telegrams of similar nature.

These petitions voice the sentiment of the vast majority of the people of the United States. They want to keep out of war. They want the United States Government to refrain from those steps which may lead toward our participation in Old World disputes.

Also, Mr. President, our people more and more are looking to Congress to take proper measures to keep us from becoming involved. Most of our people are coming to the realization that any attempt to recognize and determine aggressor nations in any foreign conflict amounts to our taking sides in such conflict, and that such a step ultimately means our participation in it.

More and more of our people also have come to realize that so-called "measures short of war" by which we would extend aid to a nation or group of nations, ultimately would lead to our active participation, with both money and men, in a conflict in which those nations were engaged.

Mr. President, the threatened war in Europe is not a conflict between ideologies. The line-up is not between democracies and dictatorships, although every effort is being made to sell the idea to the people of the United States that it is a conflict between democracies and dictatorships.

We cannot escape the deadly parallel with the months preceding our entry into the World War in 1917, when we were told, and were led to believe, that we would go to war to make the world safe for democracy. We no more accomplished that purpose than we participated in a war to end war.

The result of that war to end wars was almost to end democratic government in the Old World; also the aftermath of the World War was the breeding of new and perhaps even greater wars.

We in the United States, and particularly we in Congress, should beware of the propaganda with which we are being flooded day by day.

We should beware of the suggestions being artfully planted before the eyes of our leadership, that the United States assume world leadership, heading some 31 nations, in a combination against the dictatorships to defeat aggressor nations.

It is the plain duty of Congress, as I see it, to do everything in its power to prevent the Government of the United States from embarking on any such perilous course. That course leads to war, not toward peace, in my judgment.

Mr. President, I ask in all reason, how can the United States preach the Monroe Doctrine and at the same time practice intervention in Europe? I say that is an untenable position for us to take, and I say this in spite of the fact that recently the United States was placed in that position through a speech directed toward South America and a message directed to the heads of two European governments.

We hold firmly to the doctrine that European nations have no business interfering in affairs of the American continent.

I say it is just as plainly not our business to interfere in the affairs of the Old World, unless it is known beyond all peradventure of doubt that our own national interests are imperiled.

Uncle Sam should keep out of Europe's disputes and I firmly believe it is the duty of this Congress to use all the powers it has to keep us out of Europe's disputes.

The responsibility for determining our foreign policies rests not alone upon the President and the Department of State. This responsibility is shared by the Senate of the United States.

The first thing that should be recognized by those responsible for determining our foreign policy is that it must be an American foreign policy—not a British foreign policy nor a French foreign policy nor a German or Italian nor Russian foreign policy. Let us never depart from this basic principle.

Mr. President, I honestly believe that the United States can remain at peace if its people and its leadership desire to remain at peace—and will pay the price of peace.

One price of peace that leadership must pay is to give up the urge to play a leading role in power politics of the Old World.

The people of the United States will have to restrain their own urge to rush in and protect some foreign nation from what we regard as an unjustifiable attack by some other nation.

Another price of peace is the strength of mind and character to refuse to be bamboozled by foreign propaganda.

Still another price is to resist the temptation to make profits—and they will look like huge profits—from other peoples' wars. The World War made 23,000 millionaires in the United States—but those 23,000 millionaire war babies were an expensive luxury, and finally a dead loss, to the United States as a whole.

We must avoid entangling alliances; we must not make any secret commitments; we must beware of parallel courses of action.

We must provide an adequate navy, a strong air force—for defense of the Western Hemisphere; not for the defense of Guam in the Orient or the River Rhine in Europe.

We should keep our dollars at home, keep our soldiers at home, and I am inclined to wish we could keep some of the language of overzealous statesmen at home, but I suppose that is impossible.

The Congress should strengthen, not weaken, the Neutrality Act.

I think the Congress should pass the bill introduced by some 50 Senators, to take profits out of war.

The Congress should submit to the people the war referendum amendment. Those who have to fight the wars, and pay for the wars, should have some say whether the United States goes into wars overseas to save or protect foreign nations' boundaries; to play power politics for foreign nations.

No one seems to want war but a few of the big fellows. We do not need to fight another war for the international bankers. It is not the job of the United States to police the world.



Why try to butt in elsewhere? Why let the war lords of Europe drag us into another war as they would like to do?

The best policy America can pursue is to say as little as possible and to act as impartially as possible. The Neutrality Act as we have had it the past 2 years has kept us out of war. Why abandon it? After all, we have our hands full here at home just minding our own business.

Mr. President, this is a good time for us not to go abroad looking for trouble. There is too much trouble in Europe to be had for the looking.

Anyway, we have troubles enough at home to keep us busy.

Helping the farmer save his farm; helping the unemployed get jobs; helping business to get back on its feet; starting to balance the Federal Budget; working out a more equitable and better balanced tax system; in other words, setting our own house in order is a big enough job to keep us busy for some time to come without taking on a foreign war.

#### REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the joint resolution (S. J. Res. 126) to amend the act to authorize alterations and repairs to certain naval vessels, and for other purposes, approved April 20, 1939, reported it without amendment and submitted a report (No. 402) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2270) to authorize the Secretary of Agriculture to purchase refuge lands within the State of South Carolina for the perpetuation of the eastern wild turkey and to provide pure-blood brood stock for restocking within its native range, and for other purposes, reported it with an amendment and submitted a report (No. 405) thereon.

Mr. LOGAN, from the Committee on Mines and Mining, to which was referred the bill (S. 1806) to provide for the construction and equipment of a building for the experiment station of the Bureau of Mines at Rolla, Mo., reported it without amendment and submitted a report (No. 403) thereon.

He also, from the Committee on the Judiciary, to which was referred the bill (S. 438) to repeal and reenact section 83 of the Judicial Code, as amended, relating to Federal court districts in the State of Kentucky, reported it with an amendment and submitted a report (No. 404) thereon.

He also, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1901. A bill to extend to Sgt. Maj. Leonard E. Browning, United States Marine Corps, the benefits of the act of May 7, 1932, providing highest World War rank to retired enlisted men (Rept. No. 406); and

S. 2163. A bill to authorize an appropriation to meet such expenses as the President, in his discretion, may deem necessary to enable the United States to cooperate with the Republic of Panama in completing the construction of a national highway between Chorrera and Rio Hato, Republic of Panama, for defense purposes (Rept. No. 407).

Mr. BARKLEY, from the Committee on the Library, to which was referred the bill (H. R. 5136) to amend the act entitled "An act to provide books for the adult blind," approved March 3, 1931, reported it without amendment.

#### EXECUTIVE REPORT OF THE JUDICIARY COMMITTEE

As in executive session,

Mr. PITTMAN, from the Committee on the Judiciary, reported favorably the nomination of John J. Barc, of Michigan, to be United States marshal for the eastern district of Michigan. (Mr. Barc is now serving in this office under an appointment which expired March 16, 1939.)

The VICE PRESIDENT. The report will be placed on the Executive Calendar.

#### BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BYRD:

S. 2371. A bill for the relief of Josephine Russell; to the Committee on Claims.

By Mr. CHAVEZ:

S. 2372. A bill for the relief of George F. Hottinger; to the Committee on Claims.

By Mr. SMITH:

S. 2373. A bill granting an increase of pension to Jeanette W. Moffett; to the Committee on Pensions.

By Mr. WALSH:

S. 2374. A bill to authorize the appointment of Lawrence F. Connolly as a lieutenant in the United States Navy; to the Committee on Naval Affairs.

By Mr. McNARY:

S. 2375. A bill to amend the Bonneville Project Act; to the Committee on Commerce.

By Mr. WHEELER:

S. 2376. A bill for the relief of Millie E. Clark and the minor children of Ernest B. Clark; to the Committee on Claims.

By Mr. LODGE:

S. 2377. A bill to amend the Commodity Exchange Act, as amended, to extend its provisions to hides; to the Committee on Agriculture and Forestry.

By Mr. SMATHERS:

S. 2378. A bill for the relief of Yeomans-Drews Corporation; and

S. 2379. A bill for the relief of certain purchasers of lands in the city of New Brunswick, N. J.; to the Committee on Claims.

By Mr. PEPPER:

S. 2380. A bill to provide for mandatory or compulsory inspection and permissive or voluntary grading of fish, fishery products, fishery byproducts, shellfish, crustacea, seaweeds, and all other aquatic forms of animal and vegetable life and the products and byproducts thereof, and for other purposes; to the Committee on Commerce.

S. 2381. A bill to provide for the retention on the active list of the Navy of certain naval aviators found to be fitted for promotion; to the Committee on Naval Affairs.

S. 2382. A bill to provide for appeals from orders granting new trials in civil cases; and

S. 2383. A bill to make the Robinson-Patman Antidiscrimination Act inapplicable to purchases of supplies made by State welfare agencies; to the Committee on the Judiciary.

By Mr. O'MAHONEY:

S. 2384. A bill for the relief of Lyle L. Bressler; to the Committee on Claims.

By Mr. THOMAS of Oklahoma:

S. 2385. A bill for the relief of Otis Countrymon (with accompanying papers); to the Committee on Military Affairs.

(Mr. WALSH introduced Senate bill 2386, which was referred to the Committee on Immigration and appears under a separate heading.)

By Mr. DAVIS:

S. 2387. A bill granting an increase of pension to Catherine Pennington; to the Committee on Pensions.

By Mr. WAGNER:

S. J. Res. 132. Joint resolution authorizing the exhibition of the original manuscript copy of the Constitution of the United States among the Federal exhibits at the New York World's Fair; to the Committee on the Library.

#### CITIZENSHIP FOR ALIEN WORLD WAR VETERANS

Mr. WALSH. Mr. President, I ask consent to introduce a bill conferring citizenship on alien World War veterans, and ask to have it printed in the RECORD and referred to the Committee on Immigration, and I also request consent to have printed in the RECORD an explanatory statement thereof.

The VICE PRESIDENT. Without objection, the bill will be received and referred, as requested by the Senator from Massachusetts, and the bill and statement referred to will be printed in the RECORD.

The bill (S. 2386) conferring citizenship upon alien World War veterans was read twice by its title, referred to the Committee on Immigration, and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.,* That all alien veterans who served in the armed forces of the United States during the World War for any period of time between April 6, 1917, and November 11, 1918, who

were honorably discharged from such service, be, and they are hereby declared to be, citizens of the United States, provided (1) that such alien veterans have been legally residing within the territorial limits of the United States for the past year; and (2) that such alien veterans have not, since their discharge from such service, taken any oath of allegiance to any foreign power; and (3) that such alien veterans have not been convicted of any felony within the past 5 years.

The explanatory statement relative to the bill presented by Mr. WALSH is as follows:

This bill confers United States citizenship upon all alien World War veterans who served in the armed forces of the United States, provided that (1) such alien veterans were honorably discharged from such service; (2) such alien veterans have been legal residents within the territorial limits of the United States for the past year; (3) such alien veterans have not since their discharge taken any oath of allegiance to any foreign power; and (4) such alien veterans have not been convicted of any felony within the past 5 years.

The bill conforms to previous acts of the Congress which have granted certain exemptions to alien veterans in order to assist them in becoming naturalized, although no act has conferred citizenship forthwith as would this bill. The Congress heretofore, for a limited period, however, gave to alien veterans the privilege of filing petition for citizenship upon showing only 1 year's residence and good moral character for 1 year. But all aliens generally are now required to show 5 years' residence and good moral character for 5 years before they may become naturalized.

There are said to be hundreds of alien World War veterans who still believe that because they took the oath of allegiance to this country when they were inducted into the United States forces they automatically became American citizens. Many of the States even grant certain privileges of American citizenship to honorably discharged veterans, such as permitting them to register and vote upon showing their honorable discharge certificates. But while the Congress has paid veterans their adjusted-service certificates, and in many cases awarded them compensation for their World War disabilities, yet many such veterans are still in fact aliens despite their honorable service on behalf of the United States. Such alien veterans are denied the privilege of taking civil-service examinations, whereas veterans who are citizens are given preferences in such examinations. Many alien veterans have even been deported from this country and separated from their American wives and children. Many alien veterans have been dropped from W. P. A. or the relief rolls throughout the United States because of the requirement that those on relief must be citizens. The present bill would alleviate such conditions and automatically confer the rights of citizenship upon our alien World War veterans under the conditions stated.

It has not been possible to ascertain the total number of aliens who served in the armed forces of the United States during the World War, as no such record was kept by the Army and the Navy. The statistics of the War and Navy Departments merely show the entire number of aliens who were registered and classified under the provisions of the Selective Service Law, and do not show how many aliens were actually inducted into service. Nor has the Labor Department any data showing the number of aliens who so served, or who have not been naturalized, and who, therefore, would be eligible for citizenship under the provisions of this bill. However, it has been generally estimated that there are at least 250,000 alien veterans who would benefit if this bill is enacted into law.

#### PREVIOUS ACTS ON BEHALF OF ALIEN VETERANS

Various acts have been passed by the Congress since the World War granting certain exemptions on behalf of alien veterans of the World War from the usual requirements for naturalization, such as:

- (1) Permitting them to receive final citizenship papers after filing declaration of intention without proof of the required 5 years' residence.
- (2) Permitting those in the military or naval service to file petition for naturalization without making preliminary declaration of intention.
- (3) Relieving them of the necessity of proving continuous residence immediately preceding the date of filing petition for naturalization.
- (4) Permitting those still in the service to file petition for naturalization without appearing in court.
- (5) Conferring citizenship upon them if honorably discharged from the service or having ordinary discharges with recommendation for reenlistment without being required to file declaration of intention.
- (6) Relieving them from paying the head tax and filing fee to accompany declaration of intention.
- (7) Conferring nonquota immigrant status to their unmarried children under 18 years of age.
- (8) Stating they could not be subject to deportation on the ground of becoming public charges.
- (9) Conferring upon them the right to citizenship under the same conditions as existed before the World War.
- (10) Providing for the issuance of certificates of repatriation of such alien veterans.
- (11) Conferring upon aliens who served in the military and naval forces of the 22 allied nations during the World War, and who were honorably discharged therefrom, the same privileges as were accorded alien veterans who served in the United States forces.

However, all these exemptions and privileges were for limited periods only, and are no longer in effect. Unfortunately, many alien veterans were never advised of such exemptions, or never learned

of them, and it is now too late, of course, to avail themselves of the benefits of these acts.

#### PRECEDENTS

There is nothing novel in the Congress thus conferring American citizenship by en masse legislation, as this has been done even in recent years. Thus, by the act of June 20, 1924, all noncitizen Indians born within the territorial limits of the United States were declared to be citizens of the United States. By the act of February 25, 1927, American citizenship was conferred upon certain inhabitants of the Virgin Islands. By the act of June 27, 1934, all persons born in Puerto Rico on or after April 11, 1899, who were not citizens, subjects, or nationals of any foreign power, were thereby declared to be citizens of the United States.

#### PRESENT REQUIREMENTS

The general requirements for naturalization of all aliens at the present time are as follows:

- (1) The applicant must have had at least 5 years' continuous residence in the United States, and must be able to show he has had good moral character for 5 years, before he can secure his final citizenship papers.
- (2) An alien, of course, can file his declaration of intention (called his first paper) as soon as he is legally admitted to this country; that is, as soon as he has established a domicile after such admission. After the expiration of 5 years, he can petition for his final papers, and secure same 90 days thereafter.
- (3) If an alien has already had 5 years' residence before filing his first paper, he may file such first paper, and then after but the lapse of 2 years, petition for and secure his final papers.
- (4) No exemptions or privileges to facilitate or expedite the naturalization of alien veterans are now accorded them. The acts of the Congress granting such exemptions or privileges, while re-enacted several times, are no longer in effect. Alien veterans must thus follow the procedure outlined above.

#### NATURALIZATION FEES

All aliens now applying for naturalization receive the benefit of reduced fees, provided for in a bill which I sponsored and which became law April 19, 1934. That bill reduced fees by 50 percent, or otherwise set fees as follows:

- (1) Reduced filing fee for declaration of intention from \$5 to \$2.50.
- (2) Reduced filing fee for petition for naturalization from \$10 to \$5.
- (3) Reduced fee for securing certificate of arrival from \$5 to \$2.50.
- (4) Reduced fee for securing copy of naturalization certificate, and for certificate of derivative citizenship from \$10 to \$1.
- (5) Reduced cost of registration of arrival from \$20 to \$10.
- (6) Fixed a limit of \$25 for counsel fees in naturalization proceedings.

#### HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 4653. An act to amend an act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia, to provide penalties, to prescribe rules of evidence, and for other purposes," approved July 8, 1932;

H. R. 4654. An act to amend an act entitled "An act for the establishment of a probation system for the District of Columbia," approved June 25, 1910;

H. R. 4745. An act relating to benefit assessments from condemnation proceedings for the opening, extension, widening, or straightening of alleys or minor streets;

H. R. 5516. An act for the relief of Charlotte E. Hunter;

H. R. 5801. An act to grant permission for the construction, maintenance, and use of a certain underground conduit for electrical lines in the District of Columbia; and

H. R. 5987. An act to amend the District of Columbia Traffic Act of 1925 (43 Stat. 1119); to the Committee on the District of Columbia.

H. R. 6149. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1940, and for other purposes; to the Committee on Appropriations.

#### AMENDMENT TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. WALSH submitted an amendment intended to be proposed by him to House bill 5269, the Agricultural Department appropriation bill, 1940, which was ordered to lie on the table and to be printed, as follows:

On page 97, between lines 16 and 17, to insert the following new paragraph:

"Of the sum appropriated by the preceding paragraph, \$2,000,000 shall be available for paying 10 percent of the approved schedules of prices for salvaged timber products purchased or to be purchased from the owners thereof by the Federal Surplus Commodities Corporation, Northeastern Timber Salvage Administration, said 10 percent being in addition to a payment of 90 percent of



such schedules of prices made or to be made from funds loaned by the Disaster Loan Corporation to the Federal Surplus Commodities Corporation, Northeastern Timber Salvage Administration."

#### JEFFERSON DAY SPEECH BY SENATOR JOHNSON OF COLORADO

[Mr. BARKLEY asked and obtained leave to have printed in the Appendix a Jefferson Day speech delivered by Senator JOHNSON of Colorado at Milwaukee, Wis., on May 7, 1939, which appears in the Appendix.]

#### CIVIL LIBERTIES—ADDRESS BY SENATOR SCHWELLENBACH

[Mr. MEAD asked and obtained leave to have printed in the RECORD a radio address delivered by Senator SCHWELLENBACH on May 8, 1939, regarding the work of the Senate Civil Liberties Committee, which appears in the Appendix.]

#### LOANS UNDER THE MEAD BILL—ARTICLE BY ERNEST K. LINDLEY

[Mr. MINTON asked and obtained leave to have printed in the RECORD an article entitled "Little Man Gets Help," by Ernest K. Lindley, dealing with loans under the Mead bill, which appears in the Appendix.]

#### EXPORTS AND IMPORTS UNDER TRADE AGREEMENTS

[Mr. MINTON asked and obtained leave to have printed in the RECORD certain data relating to United States exports and imports of grain supplies, cattle, and other farm products under the reciprocal-trade agreements, which appear in the Appendix.]

#### PLEAS FOR PEACE BY THE POPE AND THE DUKE OF WINDSOR

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD the text of the address of Pope Pius XII to the National Eucharistic Congress at Algiers, Algeria, and also the text of the Duke of Windsor's peace talk, delivered from Verdun, France, which appear in the Appendix.]

#### ADMISSION OF GERMAN REFUGEE CHILDREN

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a number of editorials concerning the admission of German refugee children into the United States, which appear in the Appendix.]

#### TRIBUTES TO A. A. A. SCHOOL SAFETY PATROLS

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD excerpts from commendations of the school-patrol movement sponsored by the American Automobile Association, its affiliated motor clubs, schools, and police, which appear in the Appendix.]

#### AGRICULTURAL DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 5269) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1940, and for other purposes.

The VICE PRESIDENT. When the Senate took a recess yesterday afternoon it had concluded the consideration of the committee amendments to the agricultural appropriation bill then under consideration. The Senator from Arkansas [Mr. MILLER] has advised the Chair that he desires to offer an amendment to the bill. The Senator from Arkansas.

Mr. MILLER. Mr. President, I offer an amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 92, in line 21, it is proposed to strike out "\$21,462,329" and insert in lieu thereof "\$23,362,349."

Mr. MILLER. Mr. President, the amendment offered by me proposes to increase the appropriation by the sum of \$1,900,000 for the distinct purpose of providing funds to be available for expenditure by the Soil Conservation Service in cooperation with and in assisting the work that is being undertaken throughout the country by the soil-conservation districts. Thirty-five States have enacted soil conservation district laws, under which the farmers of those States organize what are termed soil-conservation districts. Each district is operated entirely by the farmers. The farmers do the work themselves; they furnish the material themselves; and the only thing that they are asking the Soil Conservation Service to furnish is technical assistance. Under the operation of those districts the Service undertakes to survey

the districts and the watersheds, and to map out and coordinate and correlate a plan for the prevention of soil erosion and the conservation of the soil. The individual farms are mapped, and the work is done on the individual farms under, as I have suggested, the supervision of the Soil Conservation Service.

There are at present organized in the various States 146 soil-conservation districts. The Soil Conservation Service is cooperating with only 94 of those districts, and it will be utterly impossible for the Service to cooperate with the other districts unless this additional sum of money is provided. Unless we give this encouragement to the farmers who are engaged in land-utilization and soil-conservation practices, it simply means that during another period of years the destructive methods of farming which have been employed in past years will continue.

The conservation of our soil is a subject which it is not necessary to discuss before this body. I know that the Senate is entirely familiar with the devastating practices which have been indulged over a period of years. I know Senators realize that ordinarily, in the case of land that is susceptible of erosion, it takes 2,000 years for nature to build a soil 7 inches deep. That soil may be utterly destroyed within a period of 10 to 15 or 25 years unless soil-conservation methods are used.

Every year there pours into the Gulf of Mexico soil from 31 States of the Union to the extent of 740,000,000 tons. A comparable amount is pouring into the ocean from every other watershed in the country. It seems to me we can well afford to appropriate this sum of money to be given to the farmers who are now alive, as never before, to the necessity of soil conservation.

I do not know what induced the committee not to allow this sum. The matter was fully presented to the committee, and the hearings on the subject are to be found on pages 543 to 583. A casual reading of the hearings will disclose the absolute necessity for the appropriation of this sum of money, provided we believe in making the effort, provided we believe in lending aid and assistance to those who are undertaking to rehabilitate themselves. It is simply a question for Congress to determine whether or not we want now, while the people of the Nation are alive to the necessity, to give them this assistance to help themselves.

This work is not carried on haphazardly. So far as I am aware, the present is the only time in the history of the country when the farmers themselves have realized the absolute necessity of doing this work. Soil-conservation districts now are organized in 24 States of the Union. As I have said, 35 States have enacted laws under which such districts will be organized. There are now statutes pending and movements for the purpose in five additional States. The State of Iowa passed such a bill just a few days ago, as I understand, and other States are fast seeking to avail themselves of this privilege.

What happens in a soil-conservation district? The district is organized by watersheds, or a series of small watersheds. The Soil Conservation Service then comes in at the request of the farmers themselves, at the request of the commissioners of the district, and makes a survey and a map of the entire watershed, and a plan is prepared and adopted by the farmers. It is a matter of cooperation by them. Then the soil supervisors agree with the Soil Conservation Service to carry out the program over a period of 5 years. What I am asking for the great number of districts that have been organized, embracing many millions of acres of land, that money be provided with which to employ the technical assistance and technical aid necessary to help the local men carry on the work.

The survey shows that in this country today 282,218,263 acres of tillable land, plowable land, have been destroyed by erosion. Let me repeat those figures: There are now 282,000,000 acres of land that have been destroyed by erosion out of practically 2,000,000,000 acres of land in the entire United States; and that includes mountainous land.

In the State of Alabama, for instance, 25 percent of the land is suffering from severe erosion.

In the State of Arizona 10 percent is suffering from severe erosion.

In the State of Arkansas only 3 percent is suffering from severe erosion, but 52 percent of the land in Arkansas is suffering from erosion to some extent. I am giving, however, the figures for the land that is practically destroyed so far as farming purposes are concerned.

In the State of Colorado 23 percent is so destroyed.

In the State of Kentucky 45 percent is virtually destroyed.

In the State of Oklahoma, a new State, yet one that is suffering more from soil erosion than is any other State in the Union because of the wind, because of the water, and because of the types of soil, 53 percent is practically destroyed.

Taking it all in all, on the tremendous area of 282,000,000 acres of land in this country, farmers are now unable to make a living.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Nebraska?

Mr. MILLER. I yield.

Mr. NORRIS. Has the Senator the statistics for all the States of the Union?

Mr. MILLER. I have; yes.

Mr. NORRIS. Will the Senator put them all in the RECORD.

Mr. MILLER. I shall be very glad to do so.

I shall not consume the time of the Senate by stating in detail the statistics for the various States, but out of the entire area, 775,000,000 acres are now in the process of erosion, as against 282,000,000 acres that are practically destroyed. There is no apparent or only slight erosion—catch these figures, Senators, if you will—on only 700,512,011 acres of tillable land in the Nation, as against practically one billion acres upon which the erosion process has set in.

Mr. President, I ask unanimous consent to insert in the RECORD, as a part of my remarks, the table from which I have been reading.

The VICE PRESIDENT. Without objection, it is so ordered.

The table is as follows:

*Acres affected by erosion, by States<sup>1</sup>*

State	Mountains, mesas, badlands, etc.		No apparent or slight erosion		Moderate erosion		Severe erosion		Total acres
	Acres	Per cent	Acres	Per cent	Acres	Per cent	Acres	Per cent	
Alabama	0		5,616,851	17.1	19,050,602	57.9	8,246,135	25.0	32,913,588
Arizona	37,204,424	51.8	828,997	1.2	26,907,726	37.1	7,610,033	10.4	72,551,180
Arkansas	0		17,601,039	52.3	14,730,980	43.9	1,267,408	3.8	33,619,407
California	863,672	.9	52,137,526	52.3	41,246,591	41.4	5,386,893	5.4	99,634,672
Colorado	12,871,768	19.4	9,863,068	14.9	28,014,912	42.2	15,651,097	23.5	66,401,445
Connecticut	0		2,899,643	94.0	185,167	6.0	0		3,084,800
Delaware	0		1,172,961	93.4	82,501	6.6	0		1,255,462
Florida	0		33,190,962	93.4	2,260,215	6.4	0		35,451,177
Georgia	0		14,032,708	39.7	16,181,000	43.1	6,434,616	17.2	37,568,324
Idaho	4,412,016	6.3	21,045,762	59.5	19,332,766	56.3	8,495,223	15.9	53,285,767
Illinois	0		21,627,652	60.3	13,241,233	36.9	1,006,753	2.8	35,875,638
Indiana	0		13,845,249	60.0	7,668,043	33.2	1,553,508	6.8	23,068,800
Iowa	0		15,048,818	42.3	17,249,106	48.8	3,277,116	9.2	35,575,040
Kansas	0		14,712,707	28.0	24,382,873	46.5	13,425,369	25.5	52,520,949
Kentucky	0		1,363,860	6.3	12,613,103	49.1	11,724,735	45.6	25,701,698
Louisiana	0		20,768,763	71.9	8,107,428	28.1	1,594	(?)	28,877,785
Maine	0		17,357,210	90.7	1,775,206	9.5	1,384	(?)	19,132,800
Maryland	0		4,111,904	65.4	1,914,665	30.4	263,845	4.2	6,290,414
Massachusetts	0		4,808,979	94.3	249,098	4.9	45,037	.8	5,103,114
Michigan	0		31,514,637	86.0	4,496,510	12.3	619,356	1.7	36,630,503
Minnesota	0		37,013,515	71.9	11,002,134	21.4	3,436,745	6.7	51,452,394
Mississippi	0		10,230,444	34.5	13,963,651	53.8	3,477,585	11.7	29,671,680
Missouri	0		6,684,835	15.2	33,392,017	80.5	1,908,428	4.3	43,985,280
Montana	8,428,501	9.0	21,044,773	22.5	59,604,315	63.8	4,446,251	4.7	93,523,840
Nebraska	1,288,132	2.6	26,602,432	34.0	13,864,969	28.1	7,536,296	15.3	49,291,829
Nevada	10,056,369	14.3	235,547	.3	36,916,271	52.5	23,078,001	32.9	70,286,188
New Hampshire	0		5,364,563	93.0	405,732	7.0	0		5,770,295
New Jersey	0		3,852,443	79.9	937,407	19.5	28,696	.6	4,818,546
New Mexico	10,510,728	13.5	1,028,674	1.3	37,785,120	48.7	28,264,014	36.5	77,388,536
New York	0		20,239,079	66.7	8,989,438	29.7	1,100,816	3.6	30,329,333
North Carolina	0		19,085,264	61.0	9,368,459	30.0	2,822,576	9.0	31,276,299
North Dakota	1,972,454	4.4	33,294,957	74.1	572,728	1.3	9,108,604	20.2	44,948,773
Ohio	0		13,502,318	51.8	8,406,982	32.2	4,164,300	16.0	26,073,600
Oklahoma	854,507	1.9	2,407,940	18.9	9,213,424	20.6	26,111,010	58.6	44,586,881
Oregon	1,102,806	1.8	17,498,608	28.5	34,878,056	56.7	7,963,549	13.0	61,443,019
Pennsylvania	0		14,079,392	48.9	14,276,278	49.6	4,288,846	1.5	28,784,516
Rhode Island	0		632,907	94.0	40,255	6.0	0		673,162
South Carolina	0		12,823,083	65.7	3,631,411	18.6	3,062,306	15.7	19,516,800
South Dakota	685,116	1.4	36,196,080	73.9	8,083,917	16.5	4,046,149	8.2	49,011,263
Tennessee	0		3,656,314	13.7	12,005,700	45.0	11,017,666	41.3	26,679,680
Texas	19,724,668	11.7	46,110,143	27.2	80,165,009	47.4	23,326,645	13.7	169,326,465
Utah	23,788,225	45.0	205,656	.4	18,477,063	34.9	10,394,744	19.7	52,865,688
Vermont	0		5,073,383	86.9	765,977	13.1	0		5,839,360
Virginia	0		9,351,320	36.8	15,031,149	59.2	1,009,941	4.0	25,392,410
Washington	6,077,980	14.3	12,197,011	28.8	18,772,798	44.3	5,383,695	12.6	42,431,484
West Virginia	0		1,477,050	9.6	9,784,949	63.8	4,071,649	26.6	15,333,648
Wisconsin	0		20,669,799	58.4	12,790,647	36.2	1,903,394	5.4	35,363,840
Wyoming	4,926,949	7.9	9,505,165	15.3	38,842,490	62.2	9,904,655	14.6	62,369,239
United States	144,768,315	7.6	700,512,011	36.8	775,678,031	40.8	282,218,263	14.8	1,903,176,620

<sup>1</sup> Reconnaissance erosion survey of the United States, 1934.

<sup>2</sup> Less than 1/10 of 1 percent.

Mr. MILLER. Mr. President, I have referred to the fact that this matter was presented to the Appropriations Committee. A mere casual reading of the hearings before the committee will disclose the absolute necessity for the appropriation. I know there is a great hue and cry against the expenditure of money; but let me call the attention of the Senate to the significant fact that while this is a proposed expenditure of \$1,900,000, it is not an ordinary expenditure. The money we are appropriating from day to day is spent and gone, and future generations will pay for it. The money which may be spent for the purpose of combating soil

erosion, it is true, will be gone, but future generations will reap the benefit of it. It is the only appropriation I know of, or one of the few, that we can well afford to call upon the future to pay, because by this expenditure we are undertaking to rehabilitate the country, and give the people land on which they can live and support themselves and their families. We are spending yearly millions of dollars in building flood-control reservoirs and other great conservation works, such as hydroelectric reservoirs and dams.

Let me call attention to what is happening and what has happened in connection with that work. Only last year



Congress authorized the expenditure of \$325,000,000 for flood-control work. Many reservoirs were authorized, 42 in the Ohio Valley, 8 within the State of Arkansas, and some in other States. Over the entire country they are scattered round about. Fifty-four million dollars is to be expended for a huge reservoir at Denison, on the Red River, and other reservoirs are to be constructed at other places. We have spent nearly \$500,000,000 in the Tennessee Valley building reservoirs, and we will continue to expend money for such purposes.

What will happen unless this work shall be continued? Let me tell the Senate what will happen. Along the New River, in Virginia, there are four great hydroelectric-power developments. Field Reservoir, the uppermost, has lost 41 percent of its storage capacity in the 6 years since it was built. Washington Mills Reservoir, 43 miles downstream, has lost 83 percent of its capacity in less than 34 years. The power plant is about gone.

In Texas, Lake Waco was built as a power development on the Brazos River in 1930. Originally the reservoir stored a little more than 39,000 acre-feet of water. In 1936, within 6 years, the silting had reduced the capacity 20 percent.

I have a list of the reservoirs which have been measured; and it is only a question of time, and in my opinion a question of a very short time, unless corrective measures shall be adopted, before those structures will be absolutely ruined, and the money expended will have been thrown away so far as future generations are concerned.

How does the pending item affect us? Wherever soil-conservation districts carry on their work on the individual watersheds, they stop the continual working down and eroding of the land and the carrying of the silt into the drainage canals and the reservoirs. All over the Southland, and wherever drainage canals exist, the maintenance of the canals constitutes a great problem. That problem cannot be solved by the communities unassisted, because of the constant filling by silt. I have a picture in my office of some of the drainage canals in the States of Mississippi, Arkansas, Louisiana, Illinois, and Indiana, which today are absolutely filled and rendered useless because corrective measures were not taken on the watersheds to hold back the silt and prevent erosion.

Let me call attention to Lake Taneycomo in Missouri, the second largest reservoir and hydroelectric development in that State. It has a storage capacity of 44,000 acre-feet, but it has lost more than 46 percent of that storage capacity. In such instances it may not be worth while to preserve the development; but aside from that, the economic situation in this country is such as to demand the rehabilitation of our soil. No people can maintain their economic status on unfertile soil. Show me a community where the social status is low, and I will show you a community where the land from which the people are trying to obtain a living is so eroded that a living cannot be earned from it.

Let me call attention to what has been done by Soil Erosion Service in the way of preventing erosion at hydroelectric plants. In the State of North Carolina, at High Point, an experiment was conducted with a reservoir which was built there. The reservoir was filling with silt at the rate of eighty-seven hundredths percent a year. The authorities undertook to treat the watershed under the kind of operation made possible by our appropriations. They treated it over a period of years and reduced silting nearly a hundred percent, and the rainfall was nearly twice as great after the treating process had taken place as it was before. This work is our only salvation.

Mr. President, this character of work cannot be done by the C. C. C. camps. It is argued sometimes by those who probably have not had the opportunity of getting out and seeing what is going on that we should set up C. C. C. camps to do this work. We have established 355 C. C. C. camps doing soil-conservation service in this country, and that is all we have established. Those camps are in 355 small areas. They have succeeded in teaching the farmers the necessity and importance of this work, and the landowners of this country are entitled to this assistance.

Mr. President, it seems to me that unless we provide sufficient funds to assist the farmers in carrying on this great conservation work, we have reached the point of saying to them, "We are going ahead to spend your money; we are going to erect great flood-control structures; we are going to erect great dams; we are going to enact laws for the benefit of agriculture, but we are going to do nothing to preserve this country for those who come after us." Nature devastates the land because we have destroyed the natural things which were put there. We have denuded the soil of its timber; we have laid waste our country; yet we cannot give the people \$1,900,000 additional to assist them.

It is true the work can go on to a limited degree. In my State alone 10 soil-conservation districts are in operation. I hope Senators will accept my word for the statement that I have visited every area in Arkansas where soil-conservation work is proceeding. I have seen that work in operation, and I know what it means. There is no farm problem in the areas where soil-conservation work has been done and land utilization practices have been in effect over a period of 3 or 4 years. The income of the farmer has been increased, as the hearings will disclose, practically 100 percent. In such instances there is no farm problem. The county of Scott, Ark., for instance, on the western side of the State, is one of the most prosperous counties in the State; yet it is the leading soil-conservation county in our Nation. If Senators would go there and see the work being done, they would be convinced of the wisdom of this activity. The farmers in that section of our State have carried on without assistance.

One hundred and forty-six of these districts have been organized in the various States, and others are being organized every day. We can give 94 of the districts help, and that is all. Are we to deny the others? Is not the farmer living on one watershed just as important as the farmer on another?

We hear much said about long-range planning and about conservation of natural resources. If we continue to permit the soil to be eroded as during the past few years, I do not know what is going to happen to this country. It is a matter that is entirely within the discretion of this body. Before this request is refused I should like to have Senators read the hearings; I should like to have them exercise their own common sense and knowledge of affairs, and if they believe in the policy and program I am advocating I ask their support of the amendment.

REORGANIZATION PLAN NO. II—MESSAGE FROM THE PRESIDENT  
(H. DOC. NO. 288)

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States, which will be read.

The legislative clerk read as follows:

*To the Congress of the United States:*

Pursuant to the provisions of the Reorganization Act of 1939 (Public, No. 19, 76th Cong., 1st sess.), approved April 3, 1939, I herewith transmit reorganization plan No. II, which, after investigation, I have prepared in accordance with the provisions of section 4 of the act; and I declare that with respect to each transfer, consolidation, or abolition made in reorganization plan No. II, I have found that such transfer, consolidation, or abolition is necessary to accomplish one or more of the purposes of section 1 (a) of the act.

In my message to the Congress on April 25, 1939, transmitting reorganization plan No. I, I took occasion to say that, it being obviously impracticable to complete the task of reorganization at one time, I had decided, in view of the declaration of the Congress that it should be accomplished immediately and speedily, to undertake it in several steps.

Plan No. I had to do with over-all management. Plan No. II, transmitted herewith, is designed to improve the work of the executive branch, for which, although carried on through executive departments and agencies, the responsibility to the people is through the President. It is concerned with the sole purpose of improving the administrative management of the executive branch by a more logical

grouping of existing units and functions and by a further reduction in the number of independent agencies.

I am transmitting reorganization plan No. II as the result of studies that have been made for me and of my own experience over a period of several years as the best way in which to regroup the agencies affected so as to fulfill the purposes of the act:

- (1) To reduce expenditures;
- (2) To increase efficiency;
- (3) To consolidate agencies according to major purposes;
- (4) To reduce the number of agencies by consolidating those having similar functions and by abolishing such as may not be necessary; and
- (5) To eliminate overlapping and duplication of effort.

The plan I now transmit I shall describe briefly, as follows:

I propose to transfer the Foreign Commerce Service of the United States and its functions now in the Bureau of Foreign and Domestic Commerce of the Department of Commerce and the Foreign Agricultural Service of the United States and its functions in the Department of Agriculture to the Department of State, and to consolidate them with the Foreign Service of the United States under the direction and supervision of the Secretary of State.

By this transfer and consolidation, there will be a single Foreign Service in the Department of State, but this does not mean that the interests of the commercial and agricultural communities are to be neglected, for it is a part of the plan that representatives of the Secretary of Agriculture and the Secretary of Commerce shall be placed on the Board of Foreign Service Personnel and that specific investigations relating to commerce and agriculture shall be initiated directly by the Secretaries of these two Departments who will receive directly the results of investigations in their own fields.

A much greater degree of coordination and effectiveness in our foreign establishments can be achieved under the plan than has ever before been possible. The needs of the different departments and agencies of the Government will be met more efficiently and the responsiveness of the foreign establishments to these needs will be greatly improved.

The plan presupposes that it may be necessary from time to time for various departments and agencies of the Government to send abroad specialists and technicians for relatively temporary duty. While these will not be in the Foreign Service, strictly speaking, they will be given a suitable commission by the Department of State, on a temporary basis, so that they may have the same obligations as other officers of the Foreign Service while on duty abroad.

The plan also presupposes a special training period within the Department of Commerce and the Department of Agriculture for Foreign Service officers selected to specialize in commercial or agricultural work and contemplates the fullest utilization of the experience gained abroad by Foreign Service officers in the work of the Departments of Commerce and Agriculture in this country. There will be stationed in the Department of State a liaison officer of the Department of Commerce and of the Department of Agriculture to make effective the proposed cooperation.

The plan specifically leaves undisturbed the relationships of the Department of Commerce and of the Department of Agriculture with the commercial and agricultural communities. What it does do is to consolidate the foreign services into one Foreign Service in the Department of State, where it ought to be, with the resulting advantages of economy, efficiency, better functional grouping, elimination of overlapping and duplication of effort, and greater service to our commercial and agricultural interests.

There is also transferred to the Department of State the Foreign Service Buildings Commission and its functions. This Commission is advisory to the administrative work of the Department of State and should no longer have the status of an independent establishment.

The Bureau of Lighthouses now in the Department of Commerce is transferred to the Treasury Department and consolidated with the Coast Guard in that Department. The

advantages of this consolidation are obvious and fall clearly within the provision of the act requiring me to consolidate agencies according to major purposes. This will save money on equipment and administration and will permit the better use of personnel.

The plan also includes the abolition of the office of the Director General of Railroads and of the War Finance Corporation and the transfer of their functions to the Secretary of the Treasury, to be wound up by him as rapidly as may be. In the case of the War Finance Corporation, it is directed that the final dissolution shall be accomplished not later than December 31, 1939.

I further propose to transfer to the Department of Justice the Federal Prison Industries, Inc., and the National Training School for Boys, and at the same time to abolish the Board of Trustees of the National Training School for Boys. Responsibility for the Federal penal and correctional institutions is in the Department of Justice, and these two independent establishments should be consolidated therein. None of the other Federal penal or correctional institutions has a board of trustees, and there is no need of further continuing the Board of the National Training School.

The plan also provides for the abolition of the Codification Board established for the purpose of codifying existing administrative law and the transfer of its functions to the Division of the Federal Register in the National Archives. The work of this Board has now progressed to the point where a separate board is no longer necessary and the future work of keeping the codification up to date can more efficiently and economically be carried on by the editorial staff of the Federal Register.

I find it necessary and desirable in order to accomplish the purposes of the Reorganization Act to abolish the National Bituminous Coal Commission and to transfer its functions to the Secretary of the Interior. Thus the task of conserving the bituminous-coal resources of the country may be carried on directly by the head of the department principally responsible for the conservation of fuel and other mineral supplies. The Congress placed this Commission in the Department of the Interior, but experience has shown that direct administration will be cheaper, better, and more effective than through the cumbersome medium of an unnecessary commission.

The transfer to the Department of the Interior of the Bureau of Insular Affairs in the War Department and its consolidation with the Division of Territories and Island Possessions in Interior is a functional transfer of obvious desirability. Under the provisions of existing law, however, I shall direct, where necessary, that certain correspondence from the Governor General of the Philippines shall be transmitted to the President through the Department of State.

The plan provides for the transfer to the Department of the Interior of the Bureau of Fisheries from the Department of Commerce and of the Bureau of Biological Survey from the Department of Agriculture. These two bureaus have to do with conservation and utilization of the wildlife resources of the country, terrestrial and aquatic. Therefore, they should be grouped under the same departmental administration, and in that Department which, more than any other, is directly responsible for the administration and conservation of the public domain. However, I intend to direct that the facilities of the Department of Agriculture shall continue to be used for research studies which have to do with the protection of domestic animals from diseases of wildlife, and also where most economical for the protection to farmers and stockmen against predatory animals.

The plan also provides for the transfer of the Mount Rushmore National Memorial Commission to the National Park Service in the Department of the Interior in order that this great memorial may be administered as a part of the similar work of the Park Service.

Included in the plan is a provision to transfer to the Department of Agriculture the Rural Electrification Administration, now operated as an independent establishment. The



work of this Administration in its educational as well as its lending functions is clearly a part of the rural life activities of the country and should, therefore, be administered in coordination with the other agricultural activities of the Government.

The Inland Waterways Corporation is transferred to the Department of Commerce from the War Department. This Corporation, which operates inland waterways transportation facilities, should be coordinated with the administration of other aids to commerce and industry.

I propose to transfer to the Federal Security Agency, for administration in the Office of Education, the film and radio functions of the National Emergency Council. These are clearly a part of the educational activities of the Government and should be consolidated with similar activities already carried on in the Office of Education. Similarly, Government participation in the work of the American Printing House for the Blind, except fiscal functions relating to trust funds, is transferred from the Secretary of the Treasury to the Federal Security Agency, in order that this work may be coordinated with the other work for the blind now being carried on in the Social Security Board.

The plan provides for the abolition of the National Emergency Council and the transfer to the Executive Office of the President of all its functions with the exception of the film and radio activities which go to the Office of Education. Subject to appropriations by the Congress these activities transferred to the White House would be administered in the manner best designed to give the President the information he requires from all parts of the country.

The National Emergency Council was established by Executive order in 1933 and is composed of the President, the Vice President, the members of the Cabinet, and the heads of some 23 independent establishments. Its usefulness as an actual council, which met weekly under my chairmanship, was very great in the period of the emergency which then confronted the country, but, as time has gone on, it no longer operates as a council but does continue to carry on important activities which are indispensable to the President of the United States, as well as to other branches of the Government, and the public. It maintains an information service and a press intelligence service, it publishes the United States Government Manual, and it carries on through State and central staffs an important work of coordinating and reporting.

The information service makes available general information concerning all phases of governmental activity and is provided for all who submit questions or inquiries by mail, by telephone, or by personal call. In one sense it may be called a post-office address—"Uncle Sam, Post Office Box No. 1, Washington, D. C."—to which persons who want information about the Government but do not know the exact division or agency of the Government to which to apply, may write with confidence that their questions will be answered or else sent on to the proper agency for direct reply.

The press intelligence service carried on in the council is not a service for giving intelligence to the press, but rather for making available to responsible persons in the Government, both in the executive and in the legislative branches, a clipping service, which shows what the press of the country has printed. The partial consolidation of clipping services in this unit—a consolidation which should go further—already has resulted in economy and convenience. A clipping service of this kind, on a smaller scale, was maintained for many years in the White House but it was not then available to other branches of the Government. Its return to the White House with the additional feature of availability to all the rest of the Government will promote efficiency without violating tradition.

The publication of the United States Government Manual makes available to every citizen a simplified textbook of information as to the organization and availability of the Federal agencies. Published in loose-leaf form, it is sold by the Superintendent of Documents of the Government Printing Office.

The coordinating and reporting functions of the council have to do with the presentation to the President of factual information, independently gathered, as to the progress and effect of our governmental activities. Through its State offices the council has been able to facilitate the various Federal programs particularly with respect to State and local governments.

The plan also includes certain general provisions in order to accomplish fully the purposes of the act. In addition to the transfer of bureaus and other units, it is necessary also to transfer certain functions of heads of departments; to transfer records, property, and personnel; to transfer funds; and to provide that the power of appointment occasionally, and sometimes apparently quite accidentally, vested in a subordinate official of a department, shall be vested in the head of the department. It is impossible to exercise the proper direction and supervision over subordinate units unless the definite power of appointment, fixing of compensation, transfer, and promotion or dismissal of personnel is vested in the principal responsible head. In no other way can the purpose of consolidating similar functions under a single head as required by the act be accomplished in practice.

It is one of the five purposes of the Reorganization Act "to reduce expenditures to the fullest extent consistent with the efficient operation of the Government." This is an important purpose in each phase of the plan here presented. The Reorganization Act prohibits abolishing functions—in other words, basic services or activities performed. Therefore, the reduction in expenditures must necessarily be brought about chiefly in the overhead administrative expenses of the agencies affected. In a great many cases the economies to be effected by reorganization plan No. II will be the result of improved efficiency which will, as the plan works out, require fewer persons to perform the work or will require the employment of less temporary assistance.

In the case of the consolidation of the foreign services it is estimated that the administration by a single administrative unit in the Department of State will achieve a saving of \$20,000 a year and that consolidation of the three field forces will make it possible to drop alien employees and, by a more effective use of personnel, to save an additional \$100,000 a year when the readjustments have been made.

The total administrative expense of all of the agencies affected by this plan is about \$25,000,000 per annum.

The reduction of such expenditures, which it is probable will be brought about by the taking effect of the reorganizations specified in the plan, is estimated at \$1,250,000 per annum. Certain of these economies can be brought about at once. Others will require a gradual readjustment in machinery and business practices of the agencies affected.

May I repeat what I said in my message transmitting reorganization plan No. I, that in this as in future reorganization plans not every person will agree on each and every detail. Out of the many groupings and regroupings proposed, a few of the individual agencies conceivably could be placed elsewhere, but I have been seeking to consider the functional purpose of each agency as required by the Reorganization Act itself and have made this plan with the sole purpose of improving the service rendered by the Government to its citizens in accordance with the purposes set out in the act.

In view of the fact that it is now May 9, and that any reorganization plan must lie before the Congress for 60 calendar days, and because the reorganizations of an intradepartmental character require a great deal of research and careful painstaking detailed work, I do not propose to send any further general reorganization plans to the Congress at this session.

However, there are certain transfers, abolitions, and consolidations of committees, commissions, and boards which I propose to do by means of Executive and military orders under existing law as complementary to reorganization plan No. II when it becomes effective.

Then, also, by mere administrative procedure, some small agencies which have been listed in various publications as independent establishments, but whose independence has no basis in law or in formal Executive or military orders, may

be reassigned to an appropriate placement by administrative procedure on the part of their respective heads.

Not all of the interdepartmental transfers and consolidations that are necessary and desirable have been accomplished in this reorganization plan No. II. I am directing the Bureau of the Budget to study these problems in order that they may be included in plans to be transmitted to the Congress at its next session.

For example, in order to save money and to do the work more efficiently, there are some units which should be divided so that a part of the work may be done by one agency and a part by another. Take, for example, the business of mapping. It is obviously important that the work of making surveys and accumulating data for maps should be done in the various agencies which are concerned primarily with the purpose for which the map is being drawn. On the other hand, the business of manufacturing maps might very well be consolidated in order to save money and to manufacture better maps.

I have considered the desirability of transferring the jurisdiction over deportable aliens from the Immigration and Naturalization Service in the Department of Labor to the Department of Justice, but I find that this matter will require further study, or perhaps legislation, and therefore it is not included in this plan.

I have also considered the problem of certain public lands insofar as they present overlapping jurisdiction between the Departments of the Interior and Agriculture.

Insofar as crops, including tree crops, are involved, there is something to be said for their retention in the Department of Agriculture. But where lands are to be kept for the primary purpose of recreation and permanent public use and conservation they fall more logically into the Department of the Interior.

I hope to offer a reorganization plan on this early in the next session.

There are other types of work carried on in the Federal Government where it may prove necessary and desirable to divide the functions now being carried on by a particular unit so as the better to serve the basic purpose for which the work was undertaken. Such problems I shall continue to study with the view of sending other reorganization plans involving both interdepartmental and intradepartmental reorganizations to the Congress at its next session.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 9, 1939.

Reorganization plan No. II, accompanying the President's message, was ordered to be printed in the RECORD, as follows:

#### REORGANIZATION PLAN NO. II

(Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, May 9, 1939, pursuant to the provisions of the Reorganization Act of 1939, approved April 3, 1939)

##### PART 1. DEPARTMENTS

SECTION 1. State Department: Transfers and consolidations relating to the Department of State and hereby effected, as follows:

(a) Foreign Commerce Service and Foreign Agricultural Service: The Foreign Commerce Service of the United States and its functions in the Bureau of Foreign and Domestic Commerce of the Department of Commerce and the Foreign Agricultural Service of the United States and its functions as established by the act of June 5, 1930 (46 Stat. 497), in the Department of Agriculture are hereby transferred to the Department of State and shall be consolidated with and administered as a part of the Foreign Service of the United States under the direction and supervision of the Secretary of State.

(b) Functions of the Secretary of Commerce and the Secretary of Agriculture transferred to the Secretary of State; exceptions: The functions of the Secretary of Commerce with respect to the Foreign Commerce Service and the functions of the Secretary of Agriculture with respect to the Foreign Agricultural Service (other than functions with respect to such services pertaining to activities in the United States and to the compilation, publication, and dissemination of information) are hereby transferred to, and shall be exercised by, the Secretary of State except and provided that under regulations prescribed by the President—

(1) The Secretary of State shall cause to be made such investigations relating to commercial and industrial conditions and activities in foreign countries and such other specific investigations relating to foreign commerce as the Secretary of Commerce shall determine to be in the public interest and shall report to the Secretary of Commerce the results of and the information secured

through such investigations. He shall also cause to be made such investigations relating to world competition and demand for agricultural products to production marketing and disposition of such products in foreign countries and to farm management and other phases of agricultural industry in foreign countries and shall conduct abroad such activities (including the demonstrations of standards of cotton, wheat, and other American agricultural products) as the Secretary of Agriculture shall determine to be in the public interest and shall report to the Secretary of Agriculture the results of and the information secured through such investigations and activities.

(2) The Secretary of Commerce may from time to time when he deems it in the public interest designate any officer in his Department to render temporary service under the provisions of and subject to the conditions named in section 5 of the act of March 3, 1927 (44 Stat. 1396).

(3) The Secretary of Agriculture may from time to time when he deems it in the public interest designate any officer of his Department to render temporary service under the provisions of and subject to the conditions named in section 2 of the act of June 5, 1930 (46 Stat. 498).

(4) The Secretary of Commerce and the Secretary of Agriculture may each designate an officer in his Department acceptable to the Secretary of State to serve in the Department of State as liaison officer in connection with the administration of the Foreign Service of the United States.

(5) One officer in the Department of Commerce designated by the Secretary of Commerce and acceptable to the Secretary of State, and one officer in the Department of Agriculture designated by the Secretary of Agriculture and acceptable to the Secretary of State shall be added to the membership of the Board of Foreign Service Personnel for the Foreign Service.

(c) Status of Foreign Service officers: Foreign Commerce Service officers and Foreign Agricultural Service officers who by reason of transfer to the Foreign Service of the United States and by appointment according to law acquire status of Foreign Service officers therein shall not be included in the total number of officers in such Service for the purpose of determining the percentage limitation established by section 10 of the act of February 23, 1931 (46 Stat. 1207), as amended.

(d) China Trade Act registrar: Such officer of the Foreign Service as the Secretary of State shall make available for that purpose may be authorized by the Secretary of Commerce to perform the duties of China Trade Act registrar provided for in the act of September 19, 1922 (42 Stat. 849), under the direction of the Secretary of Commerce.

(e) Foreign Service Buildings Commission: The Foreign Service Buildings Commission and its functions are hereby transferred to the Department of State. The Commission shall exercise advisory functions, but all other functions (including administrative functions) shall be exercised under the direction and supervision of the Secretary of State by such division, bureau, or office in the Department of State as the Secretary shall determine.

Sec. 2. Treasury Department: Transfers, consolidations, and abolitions relating to the Department of the Treasury are hereby effected as follows:

(a) Bureau of Lighthouses: The Bureau of Lighthouses in the Department of Commerce and its functions are hereby transferred to and shall be consolidated with and administered as a part of the Coast Guard in the Department of the Treasury.

(b) Director General of Railroads: Office abolished and functions transferred: The office of director general of railroads is hereby abolished. The functions and duties of the director general of railroads are hereby transferred to the Secretary of the Treasury to be exercised and performed by him personally or through such officer or officers of the Department of the Treasury as he may authorize. The Secretary of the Treasury is hereby designated as the agent provided for in section 206 of the Transportation Act, 1920 (41 Stat. 461).

(c) War Finance Corporation abolished: All of the functions, property, and obligations of the War Finance Corporation not heretofore transferred by statute to the Secretary of the Treasury are hereby transferred to the Department of the Treasury. The War Finance Corporation is hereby abolished and the Secretary of the Treasury shall complete the winding up of its affairs and shall dispose of its assets in accordance with the act of March 1, 1929 (45 Stat. 1442), not later than December 31, 1939.

Sec. 3. Department of Justice: Transfers, consolidations, and abolitions relating to the Department of Justice are hereby effected as follows:

(a) Federal Prison Industries, Inc.: The Federal Prison Industries, Inc. (together with its board of directors) and its functions, are hereby transferred to the Department of Justice and shall be administered under the general direction and supervision of the Attorney General.

(b) National Training School for Boys: The National Training School for Boys and its functions (including the functions of its board of trustees) are hereby transferred to the Department of Justice and shall be administered by the Director of the Bureau of Prisons, under the direction and supervision of the Attorney General.

(c) Board of Trustees of the National School for Boys abolished: The board of trustees of the National Training School for Boys (including the consulting trustees) is hereby abolished.

Sec. 4. Department of the Interior: Transfers, consolidations, and abolitions relating to the Department of the Interior are hereby effected as follows:



(a) Functions of the National Bituminous Coal Commission transferred: The functions of the National Bituminous Coal Commission (including the functions of the members of the Commission) are hereby transferred to the Secretary of the Interior to be administered under his direction and supervision by such division, bureau, or office in the Department of the Interior as the Secretary shall determine.

(b) National Bituminous Coal Commission abolished: The National Bituminous Coal Commission and the offices of the members thereof are hereby abolished and the outstanding affairs of the Commission shall be wound up by the Secretary of the Interior.

(c) Office of Consumers' Counsel abolished and functions transferred: The office of Consumers' Counsel of the National Bituminous Coal Commission is hereby abolished and its functions are transferred to, and shall be administered in, the office of the Solicitor of the Department of the Interior under the direction and supervision of the Secretary of the Interior.

(d) Bureau of Insular Affairs: The Bureau of Insular Affairs of the War Department and its functions are hereby transferred to the Department of the Interior and shall be consolidated with the Division of Territories and Island Possessions in the Department of the Interior and administered in such Division under the direction and supervision of the Secretary of the Interior. The office of the Chief of the Bureau and offices subordinate thereto provided for in section 14 of the act of June 4, 1920 (41 Stat. 769), are hereby abolished and all of the functions of such offices are transferred to, and shall be exercised by, the Director of the Division of Territories and Island Possessions.

(e) Bureau of Fisheries: The Bureau of Fisheries in the Department of Commerce and its functions are hereby transferred to the Department of the Interior and shall be administered in that Department under the direction and supervision of the Secretary of the Interior. The functions of the Secretary of Commerce relating to the protection of fur seals and other furbearing animals, to the supervision of the Pribilof Islands and the care of the natives thereof, and to the Whaling Treaty Act, are hereby transferred to, and shall be exercised by, the Secretary of the Interior.

(f) Bureau of Biological Survey: The Bureau of Biological Survey in the Department of Agriculture and its functions are hereby transferred to the Department of the Interior and shall be administered in that Department under the direction and supervision of the Secretary of the Interior. The functions of the Secretary of Agriculture relating to the conservation of wildlife, game, and migratory birds are hereby transferred to, and shall be exercised by, the Secretary of the Interior. The provisions of the act of May 18, 1934 (c. 299, 48 Stat. 780), as amended by the act of February 8, 1936 (c. 40, 49 Stat. 1105), insofar as they relate to officers or employees of the Department of Agriculture designated by the Secretary of Agriculture to enforce any act of Congress for the protection, preservation, or restoration of game and other wildlife and animals shall apply to officers and employees of the Department of the Interior designated by the Secretary of the Interior to exercise and discharge such duties.

(g) Officers of Biological Survey may administer oaths: The provisions of the act of January 31, 1925 (c. 124, 43 Stat. 803), shall be applicable to such officers, agents, or employees of the Department of the Interior performing functions of the Bureau of Biological Survey as are designated by the Secretary of the Interior for the purposes named in the act.

(h) Migratory Bird Conservation Commission: The Secretary of the Interior shall be chairman of the Migratory Bird Conservation Commission, and the Secretary of Agriculture shall be a member thereof.

(i) Mount Rushmore National Memorial Commission: The Mount Rushmore National Memorial Commission and its functions are hereby transferred to the National Park Service in the Department of the Interior. The functions vested in the Commission by sections 3 and 4 (a) of the act of June 15, 1938 (c. 402, 52 Stat. 694) shall continue to be exercised by the Commission. All other functions of the Mount Rushmore National Memorial Commission shall be administered by the National Park Service under the direction and supervision of the Secretary of the Interior.

Sec. 5. Department of Agriculture; Rural Electrification Administration transferred: The Rural Electrification Administration and its functions and activities are hereby transferred to the Department of Agriculture and shall be administered in that Department by the Administrator of the Rural Electrification Administration under the general direction and supervision of the Secretary of Agriculture.

Sec. 6. Department of Commerce: Transfer of Inland Waterways Corporation: The Inland Waterways Corporation and all of its functions and obligations are hereby transferred to the Department of Commerce and shall be administered in that Department under the supervision and direction of the Secretary of Commerce. The capital stock of the Corporation shall continue to be held for the United States by the Secretary of the Treasury, but all other functions, rights, privileges, and powers and all duties and liabilities of the Secretary of War relating to the Inland Waterways Corporation are hereby transferred to, and shall be exercised, performed, and discharged by the Secretary of Commerce. The Secretary of Commerce shall be substituted for the Secretary of War as, and shall be deemed to be, the incorporator of the Inland Waterways Corporation.

#### PART 2. INDEPENDENT AGENCIES

Sec. 201. Federal Security Agency: Transfers and consolidations relating to the Federal Security Agency are hereby effected as follows:

(a) Radio service and United States film service transferred: The functions of the Radio Division and the United States film service of the National Emergency Council are hereby transferred to the Federal Security Agency and shall be administered in the Office of Education under the direction and supervision of the Federal Security Administrator.

(b) American Printing House for the Blind: The functions of the Secretary of the Treasury with respect to the administration of the appropriations for the American Printing House for the Blind (except the function relating to the perpetual trust fund) are hereby transferred to the Federal Security Agency and shall be administered under the direction and supervision of the Federal Security Administrator. The annual report and vouchers required to be furnished to the Secretary of the Treasury by the trustees of the American Printing House for the Blind shall be furnished to the Federal Security Administrator.

Sec. 202. National Archives: Transfers, consolidations, and abolitions relating to The National Archives are hereby effected as follows:

(a) Functions of Codification Board transferred: The functions of the Codification Board, established by the act of June 19, 1937 (50 Stat. 304), are hereby transferred to The National Archives and shall be consolidated in that agency with the functions of the division of the Federal Register and shall be administered by such division under the direction and supervision of the Archivist.

(b) Codification Board abolished: The Codification Board is hereby abolished and its outstanding affairs shall be wound up by the Archivist through the division of the Federal Register in The National Archives.

#### PART 3. EXECUTIVE OFFICE OF THE PRESIDENT

Sec. 301. Transfers and abolitions relating to the Executive Office of the President are hereby effected as follows:

(a) Functions of National Emergency Council transferred: All functions of the National Emergency Council, other than those relating to radio service and film service (transferred by sec. 201 (a) of this plan to the Federal Security Agency), are hereby transferred to the Executive Office of the President, and shall be administered under the direction and supervision of the President.

(b) National Emergency Council abolished: The National Emergency Council is hereby abolished and its outstanding affairs shall be wound up under the direction and supervision of the President.

#### PART 4. GENERAL PROVISIONS

Sec. 401. Transfer of functions of heads of departments: Except as otherwise provided in this plan, the functions of the head of any department relating to the administration of any agency or function transferred from his department by this plan, are hereby transferred to, and shall be exercised by, the head of the department or agency to which such transferred agency or function is transferred by this plan.

Sec. 402. Transfer of records, property, and personnel: All records and property (including office equipment) of the several agencies and all records and property used primarily in the administration of any functions transferred by this plan and, except as otherwise provided, all the personnel used in the administration of such agencies and functions (including officers whose chief duties relate to such administration) are hereby transferred to the respective departments or agencies concerned for use in the administration of the agencies and functions transferred by this plan: *Provided*, That any personnel transferred to any department or agency by this section found by the head of such department or agency to be in excess of the personnel necessary for the administration of the functions transferred to his department or agency shall be retransferred under existing law to other positions in the Government service or separated from the service subject to the provisions of section 10 (a) of the Reorganization Act of 1939.

Sec. 403. Transfer of funds: So much of the unexpended balances of appropriations, allocations, or other funds available for the use of any agency in the exercise of any function transferred by this plan, or for the use of the head of any department or agency in the exercise of any function so transferred, as the Director of the Bureau of the Budget with the approval of the President shall determine, shall be transferred to the department or agency concerned for use in connection with the exercise of the function so transferred. In determining the amount to be transferred, the Director of the Bureau of the Budget may include an amount to provide for the liquidation of obligations incurred against such appropriations, allocations, or other funds prior to the transfer: *Provided*, That the use of the unexpended balances of appropriations, allocations, or other funds transferred by this section shall be subject to the provisions of section 4 (d) (3) and section 9 of the Reorganization Act of 1939.

Sec. 404. Transfer of functions relating to personnel: Except as prohibited by section 3 (b) of the Reorganization Act of 1939, all functions relating to the appointment, fixing of compensation, transfer, promotion, demotion, suspension, or dismissal of persons to or from offices and positions in any department vested by law in any officer of such department other than the head thereof are hereby transferred to the head of such department and shall be administered under his direction and supervision by such division, bureau, office, or persons as he shall determine.

The PRESIDENT pro tempore. The Chair also lays before the Senate, in connection with the message, reorganization plan No. II, prepared by the President, which will be published in the RECORD immediately following the message. The message and the accompanying plan will be referred to the Select Committee on Government Organization.

Mr. BYRNES. Mr. President, I ask that the message, with the accompanying plan, be printed as a public document.

The PRESIDENT pro tempore. Without objection, it is so ordered.

#### AGRICULTURAL DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 5269) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1940, and for other purposes.

Mr. LEE. Mr. President, I rise in support of the amendment offered by the Senator from Arkansas [Mr. MILLER]. I wish to congratulate the committee which reported the agricultural appropriation bill.

Put the people on the pavement and they starve to death. Put them on soil and they live. Oklahoma has oil volcanos which can darken the sky with liquid wealth, but the greatest value in Oklahoma is found in the first 6 inches of the soil. That wealth is washing away and blowing away. Thirteen million acres in Oklahoma are subject to soil erosion.

Oklahoma is one of the newest States in the Union. It is represented by the forty-sixth star in the flag; and yet our soil is badly eroded, much more so than is the soil in the Eastern States, where the rainfall is more gentle and erosion is not so noticeable. When it rains in Oklahoma—which is not often enough—it rains “gully washers” and “clod busters.” The rain takes the soil with it. And when the wind blows, it blows. Our people are rather a sturdy race. They offset the wind when they can. We have wind indicators out in the panhandle in Oklahoma. On the gable end of a house will be seen a pole sticking out horizontally. On the end of the pole is fastened one end of a long chain. Whenever the wind blows so hard that the log chain stands out straight, it is too windy to work, but if it sags a little the farmers go right on pitching hay. Our people are sturdy, but in spite of that fact the fertility of the soil is getting away from us.

Soil conservation, flood control, and agricultural relief are all part of a great program to reestablish the foundation of prosperity and wealth. When prosperity comes back to America in full measure it will come from the forks of the creek and from the grass roots—in other words, from the farms.

Our farmers feed the country. At one time John Simpson of our State painted a word picture of the farmer feeding the rest of mankind. He has a long table. Down that table sit the lawyer, the banker, the doctor, the merchant, and all the other people dining at the table of the farmer. He is the host; and yet he himself has not enough to live on. In the hearings which some Senators conducted over the Nation 2 years ago a farmer down in Texas came before the committee. He was dressed in rags. According to his testimony he had produced enough cotton to make a wide cotton belt which would girdle the globe; but he did not have enough clothes to hide his body. This condition is true of the agricultural group, which represents almost a third of the population of the Nation. Thirty million people are represented by the agricultural group. There are 6,000,000 farm families, with 5 to a family. We cannot hope to have prosperity until this third of the population has a purchasing power commensurate with the American standard of living.

The pending measure is said to be the largest appropriation bill ever brought out of a committee for agricultural purposes. I know there is opposition to it. Those who are not represented in the farm group say, “Why should we pay taxes to support the other fellow?” My answer is, “To keep his fall from pulling us down.” We cannot build a great nation upon a shifting population any more than we can erect a great building upon shifting sands.

My State of Oklahoma is young, and yet, from the scars on the face of the earth there, it is old, because, as I have

said of the heavy rainfall that comes in torrents when it comes and because of the light sandy topsoil erosion takes place rapidly. There in a new territory opened by a rush of settlers 50 years ago last month, there are farms that used to be fertile which today are eroded. It would take 3 acres to raise a crop that should be produced on 1 acre. Some of the acres will not even raise a crop at all. They are “hogbacks.” Some of them are so poor they “would not raise an umbrella,” it has been said; and down in southeastern Oklahoma occasionally the boll weevil appears and eats up everything but the mortgage.

Sixty-two and two-tenths percent of the farms that were given to the farmers of Oklahoma 50 years ago no longer belong to them. There are four reasons why the possession of the farm has passed from the farmer. One is taxes on the homestead. Several States are passing homestead tax-exemption laws. Oklahoma has enacted such a law for the homestead up to \$1,000. That is a good thing. We should put a premium and not a penalty on home ownership.

Another reason why the farmers have lost the ownership of their farms is high interest rates they had to pay on the mortgages they placed on their farms in order to improve them. This administration has beaten down interest rates and thus has afforded help in that direction.

A third reason why the farmers have lost their farms is the lower yield resulting from the loss of soil fertility. There again the present administration is fighting back with a comprehensive program that will preserve the fertility of the soil.

The fourth reason—and perhaps the most important one—is low farm prices. The farmers are losing their farms because they cannot get a fair price for what they produce. A few years ago a farmer friend of mine told me of his experience. He went to town one day with a load of oats and took along a calf that was ready for market and that he did not need. He sold the calf at the stockyards, and by the time there had been deducted yardage, the commission, the hay, and certain other service charges, which are always the same regardless of the price of livestock, he had 54 cents left from the sale price of that calf. It was lunch time; he went to the lunch counter and saw on the menu “calf liver, 50 cents.” So he spent 50 cents, and after he had eaten his lunch he had 4 cents left. He then sold his oats. Oats at that time were 7 cents a bushel. That night, before he got home, he stopped to eat supper, and his supper cost 70 cents. So he ate a calf and 10 bushels of oats. That is translating the farmer's product in terms of dollars; as he must translate it in terms of dollars before he can spend it.

When this Nation was young it was argued that in order to be a great country we must have great industries, that in order to have great industries we must protect them from competition with the Old World, and in order to protect them from competition of the industries of the Old World we must erect tariff walls. It was understood that the tariff walls would remain until our industrial institutions could be established and then those tariff walls would be lowered, but the opposite happened. The stronger the industrial group became because of the tariff the higher rose the tariff wall; the higher the tariff went the stronger the industrial group grew because of the tariff. So there developed a never-ending circle. The result was the more the farmer produced the cheaper his product got. There was an ever-widening gulf between what the farmer bought and what the farmer sold; what he sold brought less and what he bought brought increasingly more. No matter how much he increased his production, no matter how fast his herds increased, there was an ever-widening gulf between what he sold and what he bought, and it took more and more of what he sold to buy the necessities of life.

Today when we buy an article that is protected by the tariff we pay an indirect subsidy to the manufacturer. No one says anything about it; no one objects. We do not see headlines in the newspapers criticizing a system under which the consumer pays a subsidy, a bounty, to a special class, the manufacturing class; but that is the system today. Every time one buys a commodity that is protected by the



tariff he pays a tax, and that tax is a special bounty to the manufacturer, just the same as if it were collected by the Internal Revenue Department and appropriated by the Congress of the United States. It is a tax and an expenditure just the same. It is hidden a little more; it is not quite so obvious; but it is a tariff for the benefit of a special class and at the expense of the farmer, who must sell in an unprotected market and take the dollar he gets in an unprotected market and purchase commodities in a protected market. That is an unfair discrimination. But when we propose to do something for the farmer, there are those who say "No, no; let the law of supply and demand operate."

I am willing that the law of supply and demand should operate if we allow it to operate with equal force upon the manufacturer as upon the farmers. However, we have artificially protected the manufacturer by an artificial regulation of the law of supply and demand so far as the manufacturer is concerned; but we are told to let it operate naturally so far as the farmer is concerned. Therefore, we should either repeal all artificial regulations of the law of supply and demand as affecting industry, or else we should set up an offsetting artificial regulation of the law of supply and demand with respect to agriculture.

Now we have before us, according to the newspapers, the largest appropriation for a cash payment to the farmers that has yet been proposed in an agricultural bill. We also have voted some of the largest appropriations in history for battleships, some of the largest appropriations for the Army and air defense, all of which are proper and appropriate, but we should also look to the inside of this Nation. What good would it do us to protect ourselves from outside aggression, from outside danger, and in the meantime allow ourselves to be undermined from within by a system under which one-third of our people have less than enough to live on?

This proposed appropriation will not pay full parity to the farmer. Parity means that his bushel of wheat or his bale of cotton should buy as much as it did in better years, in the base period 1909-14, when he was in a better position than he is today. But we have not as yet had sufficient courage or enough money to appropriate an adequate sum to pay the farmer full parity for what he produces or what we consume of his commodities in this country. He is suffering, therefore, from an unfair discrimination that exists by virtue of law.

I know there are those who say, "We must stop spending." I subscribe to that view. I should like to stop spending if we could; but sometimes that appears to be false economy. It certainly would be false economy to stop spending at the farmers' expense, to begin our economy with agriculture. The farmer is the great market we of the United States look to. The farmer is the purchaser, and today business would surge forward if the farmer could get parity for his crops.

The farmer's condition is bad. I doubt if we all realize the situation he is in. The trouble is, we ride around in Pullman cars until we get fatty degeneration of the point of view and we forget how the farmer lives.

Many of the Senators here have farms, but sometimes they get so far from them that it is necessary to strain their memories to remember the lean days. Not many farmers have modern plumbing in their homes. Not many farmers have a modern bath tub. They have to take a bath in an old tin tub. They put it on the stove on Saturday night. One side of it gets hot and the other side is cold. I remember that if I leaned against one side of the tub it would blister me and if I leaned over on the other side it would chill me. That is the best equipment that most of the farmers can have today so far as modern plumbing is concerned.

We have air-conditioned offices and an air-conditioned Senate Chamber, but I never heard of even one farmer who had an air-conditioned home. Every now and then somebody throws it up to me, "Well, I know a farmer who is making it all right." Well, I know just one, and he is the tightest tightwad that ever tightened a wad. He is so stingy that he works his crossword puzzles up and down so that he will not have to come across. [Laughter.]

One time I was working for him. It was one of those hot days when the "lazy lawrence" was dancing on the horizon. It was so hot that every time I would lift a wheat bundle on the end of a fork it seemed that I could see ink spots all around. This farmer came out to see how the hired hands were getting along. We had a jug of water and a jug of oil under the same shock of wheat. The farmer got thirsty while he was out there and he reached down under the shock of wheat to get the jug of water to get a drink; but he would not take his eye off the hired hands out there for fear they would miss a lick, I guess. He fumbled around under the shock of wheat, and he got hold of the wrong jug. He got the jug of old black oil. Still watching the hired hands, he brought up his arm, pulled the cob out, and turned up the jug—glug—glug—and got his mouth full of the old black oil; but he would not spit it out—not this fellow—no, sir. He just waited until the binder came around again, and he hailed it and got down under it and oiled the whole machine. [Laughter.]

It is possible that if a farmer was that tight, he might be able to hold on to something; but not many of them have been able to do it, because as a rule the farmer is generous—he is a good spender. This money that we are appropriating to go to him will soon be back in the hands of the merchant, the manufacturer, and the laborer. The farmer will set this money into circulation. When we pass this bill and it becomes law and this money is sent out, do you think it will make that much less money in the United States? Will it make that much less money in the United States because we take some of this money from those most able to pay, and try to bring the farmer's income up to parity, putting it in the hands of those in most need? Certainly not. It will have an equalizing effect.

There is enough wealth in the United States today for every person, every man, woman, and child to have enough to buy the necessities of life, but it is not properly distributed.

A program like this has a leveling effect. There are five spokes to the wheel of profits. First there is the producer of the raw product, the farmer. Next there is labor. Then there is capital. Then there is management. Finally, there is the consumer. There are enough profits, if properly distributed among these five spokes of the wheel of profits, for all to share; but where have the profits gone in the past?

Have the profits gone to the farmer who produces the raw product? Certainly not, because the farmer is bankrupt today.

Have the profits gone to the laborer who toils? Certainly not; because the laborer does not have a week's rations ahead today.

Have the profits gone to capital? Yes; too much of the profits have gone to capital. The high interest rates have placed a greater premium upon capital than upon human energy.

Start \$10,000 out, and start a young man out. Let the \$10,000 gather interest at the rates that prevailed before this administration. Compound that interest. Let the laborer work as a day laborer over a period of 30 years, and come back, and what do you find? You find that the \$10,000 has grown into a fortune. You find the laborer with barely enough to cover his body, and barely enough food to carry him from one day to the next.

We have put too much emphasis on the value of money. Yes; too much of the profits has gone to capital.

What about management? That is where some more of the profits have gone. I believe that a good executive ought to receive a good salary, but certainly not the ridiculously high salaries that have been paid to the directors of corporations, to the managers, to the presidents; high salaries like that which was paid to Mr. Grace, president of the Bethlehem Steel Corporation, running up into the hundreds of thousands of dollars, and then a bonus of a million dollars. There were nine vice presidents, and the lowest paid one received \$54,000 salary, each one receiving also a tremendous bonus, thereby hiding the profits of industry

under the cloak of salaries, at the expense of the stockholders themselves, and certainly at the expense of the farmer who produces the raw products and the laborer whose toil fashions the products into useful commodities.

Finally, there is the consumer. Has the consumer benefited by the low prices of farm commodities? Certainly not. The consumer has always paid all that the traffic would bear.

If this were not a situation that is the result of law, I would be wasting my breath. Only yesterday I heard a Member of this body say, "You cannot legislate prosperity into a country." I disagree with that statement. You can legislate conditions and prosperity will result; but prosperity cannot result when one class, by virtue of legislation, is given year after year a subsidy which amounts to \$450,000,000 in the form of a tariff that goes directly to the manufacturing class, the same as if it were levied as a tax and paid out as a bounty year after year.

The only objection I have to this bill today is that it will be necessary to do it all over again every year. Any farm plan which depends upon appropriations and taxes will collapse when any Congress fails to pass the proper appropriations. The farmer ought to have a program that will operate mechanically, that will operate automatically, just as the program of the tariff operates automatically for the benefit of the manufacturer. Every year we come in here and ask for appropriations for the farmer. Sometimes he gets more than other times; but never has the farmer received enough to bring his income up to parity. But once we have a Congress that fails to pass the appropriation the whole plan collapses. But what about the manufacturer's plan? Does it collapse? Certainly not. It goes on operating automatically. It is invisible to the naked eye, so to speak. It is an automatic plan; a sort of a self-financing one that carries itself.

That is what I should like to see us enact here for the benefit of the farmer—a plan that would work until it was repealed. Then it would take an overt act on the part of Congress to repeal it. It would take an affirmative act on the part of Congress to keep it from working, whereas this plan of "appropriate and tax" takes an overt, affirmative act on the part of Congress every year to make it work.

We could pass legislation at this session of Congress which would do the same thing for the farmer that the tariff does for the manufacturer—in other words, give the farmer a farm tariff.

I never have subscribed to the program of crop control. I never have believed in saying to a man, "You cannot produce all you want to produce." Of course, the reason for crop control was that we wanted to try to give the farmer parity payments on all he produces on a certain number of acres if he complies with the control program. Naturally we could not give him parity payments on all he would produce unless we limited the amount. That, of course, is the purpose of such a program. But that was not a logical program, because it anticipated what we used in this country, in addition to some that we would export.

On the other hand, if we guarantee to the farmer a fair price on what he produces which we consume in this country, then we can release him from control above that amount. Put him on notice that all he produces above that he will sell in the world market at the world market price. That is logical. Every one else in the United States is on an American standard of living, which is a higher standard of living than that of the rest of the world—everyone else, I say, is on an American standard of living except the farmer. The farmer alone is in competition with the pauper labor of the world. When the farmer produces a bushel of wheat or a pound of cotton he is producing it in competition with the coolies, in competition with the peon. He is in competition with the lowest paid labor in the world. Everyone else is on a higher standard of living in the United States. We call it the American standard of living. Why should we not at this session of Congress guarantee the American farmer the American market at an American price? That is logical, that is sane and sensible. Then release him from control above that amount.

Thomas Jefferson once said, "It is not by concentration of power that good government is attained, but by distribution of power. If we are told from Washington when to sow and when to reap, we shall soon want bread." It seems that Jefferson foresaw the present situation when he made that statement.

Release the farmer from control. He is no fool. It is his back that aches when he picks cotton. It is his head that swims when he pitches wheat. He is not going to produce a great surplus to sell below the cost of production if he receives enough to live on from his domestic allotment. Guarantee him the American price for what we consume in this country, and I believe he will voluntarily regulate his own production above that amount.

Today when you eat bread, remember that the wheat which makes up that bread was produced by the farmers and sold at a cost lower than the cost of producing it. I know my colleagues are willing to pay the farmer a fair price. The shirt you have on is made out of cotton that was sold by a farmer who did not get the cost of production for that cotton.

For some years Colonel Westbrook was with the Works Progress Administration. It was his business to figure out the man-hour labor in connection with different commodities, and according to his figures it takes one man-hour of labor to produce one pound of lint cotton. According to that, if we are to follow the spirit and letter of the wage-hour law, we should pass a law guaranteeing the farmer 25 cents for every pound of lint cotton we consume in this country, and then allow him to produce above that all he wants to produce and let him sell it if he wants to or keep it if he wants to, guaranteeing him at least a minimum wage for his labor.

Instead of that, however, we continue to appropriate and hand out to the farmer a partial parity payment each year, then let him lose his farm, and let him move to town and get on the W. P. A. Then we come in and vote appropriations for the W. P. A. to support him in town. I have supported the appropriations and I shall continue to support them, because it is a situation which already exists. But our passing appropriation bills like the one before us is like treating smallpox by putting poultices on the pimple. We are not getting at the source of the thing. If we are to get at the source of it we must pass a domestic allotment bill which will allot to each farmer his share of the domestic market, then guarantee him by law a fair price on that, just as we guarantee the manufacturer protection by the tariff law. Let us give the farmer a tariff.

There are several plans which have been offered for the relief of agriculture. Any one of them would be an improvement over the present one. Each one of these is self-financing.

Take the domestic allotment plan, for example. If a farmer had an allotment of five bales of cotton as his part of the domestic market, the Secretary of Agriculture would issue him five bale tags. It would not be necessary to issue the bale tags to the man himself, but simply announce to him that he would have five bales of cotton on which he would receive the domestic price, and send his bale certificates to a pool, then send him the money for the difference between the domestic price and the world price, without the process of taxation and appropriation through which we are going in connection with the bill before us. Then let the law require that each processor of cotton must purchase one of these bale tags before he could process a bale of cotton for domestic use. The processor then would pay the money into the pool, and the Secretary of Agriculture would pay the money out of the pool to the cotton farmer. Then we would have a self-financing plan which would be comparable to the plan which now is so beneficial to the manufacturing group. It would then be unnecessary for us to appropriate and spend every year for the benefit of the farmer.

Today if the farmers had the American price for the part of their commodity consumed in this country, in my opinion, we could fold up most of the W. P. A. and relief programs



in the agricultural areas of this country. Every farmer needs something. He needs clothes for his family, he needs clothes for himself, he would like some of the delicacies which the food markets offer for sale. Every farm needs barbed-wire fencing, every farm needs metal roofing, every farm needs lumber, harness, machinery, paint; and all of these would be purchased if the farmer had the purchasing power.

I am supporting the pending proposal, and I shall support the highest figure on every amendment that is offered in an effort to equalize the opportunities in this country in order to put the farmer upon economic stilts, to make him economically as tall as the manufacturer.

Mr. President, I desire to say to the Senators on this side of the Chamber that no administration was ever returned to office on 6-cent cotton and 50-cent wheat, and very few Senators were ever returned to office with those prices existing, particularly if they subscribed to the program which resulted in those prices.

Mr. President, Congress can do something about the matter. There are some who would like to have Congress adjourn. I would not mind having Congress adjourn, from one standpoint, but from another standpoint I think we should undertake the enactment of a farm bill which would do something for the farmer. We have a Democratic House of Representatives, we have a Democratic Senate, and we have a Democratic President. We pledged relief to the farmer, and what have we done? We have placed him under a system of compulsory acreage control and every year we vote him partial parity payments like a dole. We vote it out and hand it to him. We have not given him a self-operating and self-financing program, a program which will last and will not fall of its own weight unless it is continually reenacted year after year.

Unless we do something for the man who tills the soil, he soon will lose ownership of the soil. Many of the farmers have already lost their farms. Farm tenancy in the United States today has reached the staggering figure of 42 percent.

Mr. LUCAS. Mr. President—

The PRESIDING OFFICER (Mr. Brown in the chair). Does the Senator from Oklahoma yield to the Senator from Illinois?

Mr. LEE. I yield.

Mr. LUCAS. Did I understand the Senator from Oklahoma to say that through these appropriations we are putting the American farmer on a dole?

Mr. LEE. I say yes; we are putting the farmer on a dole when we give him a program under which it is necessary to appropriate every year, and make him cut his acreage in order to get the money. I do not say it is a dole in the sense that the farmer is receiving charity, but the method of handing it out smacks very much of a dole.

Mr. LUCAS. I want to say to the Senator from Oklahoma, in reply to his answer, that in my humble opinion the American farmer, who at this particular time is cooperating in the program, will fiercely resent the statement made by the Senator from Oklahoma.

Mr. LEE. I should like the Senator from Illinois in his own time to explain what else it is when you raise the money by means of a tax and hand it to him in the form of a check and require him to cut his acreage in order to receive it. I am for the appropriation, and rejoice that we have this opportunity to appropriate this for the benefit of the farmer. But how much better it would be if we just guaranteed the farmer a fair price for the domestically consumed portion of his crops. That would leave him a feeling of independence.

Mr. LUCAS. Mr. President, will the Senator yield for a further question?

Mr. LEE. I yield.

Mr. LUCAS. Does the Senator know how much we pay in benefit payments to the American farmer as compared to the total amount in billions of dollars that the American farmer produces every year?

Mr. LEE. I do not understand the Senator's question.

Mr. LUCAS. Does the Senator from Oklahoma know how much this Government pays to the farmer in benefit pay-

ments and subsidies as compared with the total amount that the farmer raises in billions of dollars through the sweat of his brow and his own toil?

Mr. LEE. I have it in mind in round figures. If the Senator has it on the tip of his tongue, I should be glad to have it from him.

Mr. LUCAS. Does the Senator know that it is about 5 percent, and that 5 percent which he is talking about is what he says is putting the farmer on the dole, if I understand his argument correctly?

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. JOHNSON of Colorado. I understand that the income of the farmers is somewhere between seven and eight billion dollars annually. Is that correct?

Mr. LEE. That is correct.

Mr. JOHNSON of Colorado. I ask the Senator from Illinois: Is the total income of the farmer seven or eight billion dollars annually?

Mr. LUCAS. Will the Senator from Oklahoma yield to me to answer that question?

Mr. LEE. I yield.

Mr. LUCAS. The total income of the farmers in this country under the Roosevelt administration has increased a hundredfold over what it was in 1932, and last year it was slightly under the year before, but it was close to \$8,000,000,000. What we are appropriating under the pending bill is from 5 to 7 percent of the total amount that the farmer produces in this country through his own sweat and his own toil. If the Senator from Oklahoma can find any reason under those figures for saying to the country that through the appropriation in the pending bill we are putting the farmer on the dole it is more than I can comprehend and understand, and I do not think it will be so regarded by the farmers in this country who are cooperating in this program. Some of the best citizens in my community—yea, the best citizens in American life today on the farm—are cooperating in this program, thereby attempting to get just a small sum by way of an adjustment to give them some purchasing power in line with all other industry in this country.

I admit the program is not perfect. Of course, no program is perfect. The program which the Senator from Oklahoma is talking about now, the domestic-allotment plan, has been considered many, many times in the past, and no Congress has yet ever seen fit to adopt it. The Senator's program may work. I hope the Senator from Oklahoma is correct in his statement, but I think he is on the wrong track in connection with that particular type of farm program; and some of the best leaders of agricultural thought in all America think the same as the senior Senator from Illinois with respect to that proposition.

Mr. JOHNSON of Colorado. Mr. President, the total income of the farmers last year, as the Senator from Illinois has stated, was something less than \$8,000,000,000. About \$1,000,000,000 of that amount came out of the Federal Treasury. I do not see how the Senator figures that the pending appropriation bill which we are considering at the present time, carrying approximately one and a quarter billion dollars, or a little more, is only 5 percent of \$8,000,000,000. I do not understand the mathematical calculations of the Senator from Illinois.

Mr. President, I wish to say further that last year the farmers of this country produced a splendid crop, much better than the average—in fact, it was an excellent crop. It was not a record breaker, but it was a very excellent crop, well balanced. It did not consist of a large crop raised here and a small crop raised some other place, but was a well-balanced crop. In addition to the farmers raising that crop, we had to reach into the Federal Treasury and pay them a dole. I wish to use the words of the Senator from Oklahoma because they are correct. It is a dole. We reached into the Treasury and got out more than a billion dollars to pay the farmers a dole on top of that fine crop they raised. If that does not indicate that there is something wrong with this

program, then I do not know what evidence is required to prove that there is something wrong.

I thank the Senator from Oklahoma for yielding.

Mr. LEE. I thank the Senator from Colorado. I was going to call the attention of the Senator from Illinois to his figures. I am sorry he has temporarily left the Senate Chamber. But his mathematics or mine, one or the other, are very much in error. If the pending bill, calling for over a billion dollars, should be passed, and the American farmers' total income is six or seven billion dollars, it seems to me the amount carried in the bill would be far in excess of the 5 percent referred to by the Senator from Illinois.

The Senator from Illinois also referred to the fact that the farmers cooperated.

Of course they cooperated because they had no alternative. It was "take this or else." And the law said "If you do not cooperate you do not get the loan and you do not get the parity payments." So, of course, they accepted it. I urged them to, because it was all that was offered, and I voted for the program because there was more good in it than bad.

But that did not still my tongue from calling attention to the fact that it was not a solution to the farm problem, and I shall never still my tongue as long as we have a program which does not give the farmer an even break with the manufacturer.

For years the United States Congress has smiled on the factory and frowned on the farmers, and so I say the present farm program is too much on the plan of a dole. How much more dignified it would be for the Congress to guarantee the American farmer the American market at an American price fixed by law.

Certainly the present administration has been kinder to the farmer than any administration that I can remember. This administration has opened up the Treasury, and for the first time that I can remember the farmer received a Treasury check, and it saved him from bankruptcy. I am not complaining about that. I am not blind to that. It has launched a great soil-conservation program. I am not blind to that. I am supporting the pending amendment. I am for it. But I say, with respect to that part of the program which requires compliance, and which says, "If you do not comply with the program, you will not get the loan, you will not get the parity payment," that, of course, they are cooperating. They have no choice. There is no alternative. They either get the checks or starve to death, so they will cooperate. But they do not like it, and I do not like it. In our State of Oklahoma in some of the counties the farmers voted down the cotton quotas. They have not voted on the wheat. The tobacco farmers voted down the tobacco quotas.

I say this is not a satisfactory program; and the man who comes before the Congress and says, "This is a satisfactory solution of the farm problem," is, in my opinion, making a mistake.

Mr. President, I am encouraged to some extent. This is the largest appropriation for the farmer that has been presented to us. I believe it will pass. I believe its effect will be immediately felt in an increased purchasing power. I believe when these green checks begin to reach the forks of the creek, when the farmer gets his green check and comes to town, he will buy from the merchant, the merchant will buy from the factory, and the hitchhikers will get their jobs back, and we will be back on the road to prosperity.

It is my hope that the taste of prosperity that I think will result from this comparatively small amount that we are voting for the benefit of the farmer will cause us to consider seriously a farm plan that will go to the roots of this question, and will be a solution that will continue to operate regardless of whether we appropriate every year or not.

Mr. President, no nation long survives with liberty and happiness when the man who tills the soil is reduced to the status of peonage. It is a wise government which realizes that the first strata of society is the foundation and on that strata all others rest.

It is a wise government that undertakes to rehabilitate the disinherited. It is a wise government that realizes that the man on the farm is closest to nature; that he alone is an individualist. The reason every farmer is out on the farm trying to scratch a living out of the ground today is because he wants to be his own boss. He wants to be independent. I should like to preserve the independence of the farmer in this country. He is about the last individualist left. He is now fighting for his independence.

I am glad the Appropriations Committee has reported a measure calling for such an appropriation. I shall support it. I shall support the highest figure proposed in any amendment. Even then I think we shall fall short of the obligation to the farmer to make up to him for the years of disadvantage which he has suffered. The manufacturing group, at the lowest estimate, has been receiving the benefit of the tariff to the extent of about \$450,000,000 a year. The measure before us is a belated help to the farmer. I am for it. I wish this Congress could at this session take up legislation which would really seek to get to the bottom of the farm problem and provide a solution.

I thank the Senate for its indulgence. Mr. President, the soil-conservation amendment offered by the Senator from Arkansas [Mr. MILLER] is worthy. It is not intended to be a part of the soil-conservation payments. It is for the promotion of soil conservation by the accumulation of information, experiments, and for other purposes. My opinion is that it will return, in the value of fertility preserved, manyfold the amount called for in the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. MILLER].

Mr. GURNEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	Johnson, Calif.	Radcliffe
Andrews	Davis	Johnson, Colo.	Reed
Ashurst	Donahay	King	Reynolds
Austin	Downey	La Follette	Russell
Bankhead	Ellender	Lee	Schwartz
Barbour	Frazier	Lodge	Schwellenbach
Barkley	George	Logan	Sheppard
Bilbo	Gibson	Lucas	Shipstead
Bone	Gillette	Lundeen	Slattery
Borah	Glass	McKellar	Smathers
Bridges	Green	McNary	Smith
Brown	Guffey	Maloney	Stewart
Bulow	Gurney	Mead	Taft
Burke	Hale	Miller	Thomas, Okla.
Byrd	Harrison	Minton	Thomas, Utah
Byrnes	Hatch	Murray	Tobey
Capper	Hayden	Norris	Townsend
Caraway	Herring	Nye	Tydings
Chavez	Hill	O'Mahoney	Vandenberg
Clark, Idaho	Holman	Overton	Wagner
Clark, Mo.	Holt	Pepper	Walsh
Connally	Hughes	Pittman	Wheeler

The PRESIDING OFFICER. Eighty-eight Senators have answered to their names. A quorum is present.

Mr. RUSSELL. Mr. President, I wish to address myself for a few moments to the amendment offered by the Senator from Arkansas [Mr. MILLER], which is the pending business. The amendment proposes to increase the appropriation for the Soil Conservation Service by approximately \$2,000,000.

I have often expressed the opinion that the greatest of the many achievements of this administration is the fact that it has made the people of the United States conservation-minded. If nothing else had been accomplished in the past 6 years, the fact that farmers, even in the most remote areas as well as those who are affected by the uses and the preservation of all forest and mineral resources, are keenly alive to the importance of conservation of our natural resources would entitle the administration to a prominent place in history.

Mr. President, the committee has not dealt parsimoniously with the Soil Conservation Service, or with any phase of conservation work. Doubtless the \$2,000,000 sought by the amendment of the Senator from Arkansas would be valuable and helpful to some of the soil-conservation districts. How-



ever, I wish to point out to the Senate that in the year 1938 the appropriation for cooperation with the soil-conservation districts was only \$625,000, whereas the present bill carries the sum of \$3,158,988 for that purpose.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MILLER. I understand that the direct appropriation was \$654,000, but \$2,500,000 was added by transfer of funds. Is not that correct?

Mr. RUSSELL. The total appropriation has not been increased.

Mr. MILLER. I am referring to the district work. Mr. Myer, testifying at page 549 of the hearings, in speaking about the district program, said:

That is where, as a matter of fact, the majority of this \$3,158,988 has come from. We have simply shifted it over from one type of service to another. Two years ago \$584,000 was included in the appropriation for cooperation with the districts. We have shifted over, I would say, something over \$2,500,000 from other projects to carry on the district work today. We have had no increase in total funds but have had some reductions.

I thank the Senator.

Mr. RUSSELL. I understood that the Senator from Arkansas was primarily concerned in obtaining additional funds for cooperation with the soil-conservation districts. I did not know that he was concerned as to the source from which those funds were derived. Nevertheless, the fact remains that the funds available for the specific type of work which the Senator seeks to aid by his amendment have increased to \$2,500,000 in the past 2 years. In addition, the Soil Conservation Service has an item of \$10,286,000 for carrying on demonstrational work in certain areas. In those areas projects have been undertaken to demonstrate to the farmers of the several States just what progress can be made by carrying on soil-conservation practices. More than 8,000,000 acres are embraced in these demonstration areas, and I think I am correct in saying that at least one such area is located in each one of the agricultural States.

In addition to the funds that are appropriated in this item, there are at the present time, or will be on the 1st of July, 392 Civilian Conservation Corps camps engaged, under the direction of the Soil Conservation Service, in soil-conservation work, both in the demonstrational areas and on the soil conservation district projects which have been created by the farmers themselves under the laws of 35 States which authorize the creation of soil-conservation districts. It is estimated that it requires \$1,000 a year to support one boy in a C. C. C. camp. If the total cost of those camps is charged up to the Soil Conservation Service—and I do not think it is unfair so to charge that item—it means that approximately \$80,000,000 that does not appear in this appropriation bill at all but is carried in the independent offices appropriation bill is also being devoted to conservation work on demonstration areas or cooperative projects.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MILLER. The demonstration areas are merely areas established in the various States and are what their name implies, and they are areas which are largely responsible for the creation of the interest in the district work. Is not that true?

Mr. RUSSELL. That is exactly correct. Of course, a farmer who has been over a demonstration area and has been able to see the type of work that is applied on land that is similar to land on his own farm knows how to go home and combat erosion and depletion of his soil.

Mr. President, in addition to these huge sums spent on soil conservation, there is carried in this bill the sum of \$500,000,000 for payments to farmers for following soil-conservation practices on their farms. Freely do I concede that that item has no direct relation to the scientific work of the Soil Conservation Service; but every person who is familiar with the soil-conservation work that is carried on under the soil-conservation program in the Agricultural Adjustment Administration knows that it has been of incalculable benefit in preserving the fertility of our soil and preventing soil depletion.

I do not think, Mr. President, that this amendment can be wholly justified; I am sure that it cannot be in the amount the Senator from Arkansas suggests. The committee gave careful consideration to it, and, after having considered it from all angles, was of the opinion that the increase of approximately two and a half million dollars for this purpose over the last 2 years was as much as even the most ardent conservationist could reasonably request. I would like to see these funds made available for this important work. The people of my State are greatly interested. But this bill already exceeds the Budget estimates and I think this amendment should be defeated.

Mr. MILLER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Arkansas?

Mr. RUSSELL. I have surrendered the floor, but I will be glad to answer any question I can.

Mr. MILLER. The Senator is always fair, and I realize the necessity under which he is placed to uphold the action of the committee; but, as a matter of fact, the hearings disclose that there are now 146 organized districts in the United States, comprising 78,089,000 acres of land, and that unless this appropriation is increased only 97 of those districts can be operated by the Service. That is correct, is it not?

Mr. RUSSELL. That is the statement that was made to the committee by the officials of the Soil Conservation Service. However, I understood from the general trend of the testimony that if the demonstration areas were completed, as it was expected that some of them would be completed, additional scientific and technical aid that has been engaged in work on the demonstrational areas would be available for the soil-conservation districts.

Mr. MILLER. Yes; there would be a shifting there; that is true.

Mr. RUSSELL. So that the statement of the Senator from Arkansas would not be literally correct as to the number?

Mr. MILLER. No; there might be a shifting as to numbers.

Mr. RUSSELL. That is quite correct.

Mr. NORRIS. Mr. President, may I ask the Senator from Georgia a question?

Mr. RUSSELL. I will gladly answer any question if I can.

Mr. NORRIS. I should like to be advised whether the Bureau would be able to use the additional funds if this amendment were agreed to. Is the Bureau prepared to expand the work sufficiently so that if the money were appropriated there would not be a waste of funds? It seems to me that this work is very valuable indeed, and I would be limited in my idea of the amount appropriated only by the ability of the Bureau to use the money to advantage. If they can do that, I do not see why the amendment of the Senator from Arkansas should not be agreed to.

Mr. RUSSELL. I have never, in my experience as a member of the Appropriations Committee or a subcommittee of that committee, known any amendment providing additional funds to be presented that the bureau affected did not state that they could use the funds. It is my opinion that the Bureau could use the funds, but there are many other items in this bill that are just as important as is the pending amendment. The committee and the Senate cannot afford to vote for every increase in funds that is suggested. In my judgment, as one who is most friendly to this work, the amendment seeking an increase of \$1,900,000 should not be adopted.

Mr. McKELLAR. Mr. President, does the Senator recall that the evidence shows that the Department made a request for a larger sum than the Budget Bureau estimated?

Mr. RUSSELL. I think the evidence discloses that the Department asked for \$5,000,000 for this purpose. I am not clear in my own mind as to whether the request was made by the Soil Conservation Service to the Secretary of Agriculture when the estimates were made up, or whether the Secretary

submitted the request to the Bureau of the Budget, but the head of the Soil Conservation Service, undoubtedly, sought to secure approval of the sum of \$5,000,000 rather than the sum of \$3,100,000 carried in the bill.

**THE PRESIDING OFFICER.** The question is on the amendment offered by the Senator from Arkansas [Mr. MILLER].

**Mr. FRAZIER.** Mr. President, the Senator from Illinois yesterday stated, in answer to a question, that only \$300,000 out of the \$500,000,000 appropriated for soil conservation last year was used by the Department. I presume that is correct. I do not know why the full appropriation was not used. Of course, the pending amendment is for a more definite purpose, but, undoubtedly, it would be of use if it were agreed to and the money were appropriated.

It seems to me that more money should be appropriated. I am strongly in favor of a larger appropriation than the committee has put in the bill to carry out the present Agricultural Adjustment Act, for the bill does not even yet provide sufficient money for that purpose.

The Senator from Illinois yesterday stated that he should like to see the Triple A Act given a fair chance before it was repealed. The appropriations carried by the pending bill do not give the Triple A a fair chance according to the Agricultural Department's own figures. It will take at least a billion and a half dollars in benefit payments to pay the difference between the present market price and the Department's so-called parity price. Their parity price is generally conceded to be below cost of production. If the farmer is going to get any profit for his product, the amount in the bill is not yet sufficient to give either the Triple A a fair chance or to give the farmer a fair chance.

**Mr. LUCAS.** Mr. President, will the Senator yield?

**THE PRESIDING OFFICER.** Does the Senator from North Dakota yield to the Senator from Illinois?

**Mr. FRAZIER.** I yield.

**Mr. LUCAS.** Considering the full amount we are proposing to appropriate, would the Senator say it would put the farmer on a dole and would be a hand-out to him, as the Senator from Oklahoma [Mr. LEE] contends?

**Mr. FRAZIER.** I am frank to say I cannot see anything else in it but a dole. Anything below the cost of production to the farmer is not a square deal and the farmer will go broke.

**Mr. LUCAS.** The Senator is complaining, as I understand him, about the small amount we are appropriating by this bill for the farmer. Do I understand him to say because of the small amount we are appropriating that we are putting the farmer on a dole?

**Mr. FRAZIER.** Unlike the Senator from Illinois, I was not for the Triple A legislation. As a solution of the farm problem it was the best we could get; I have voted for it every time it has come up, and I have voted for the largest appropriations we could get; but I cannot see these benefit payments to the farmer in any other light than as a dole.

**Mr. LUCAS.** Mr. President, if the Senator will further yield, I should like to ask if the Senator is in favor of larger appropriations, the result would be the higher the appropriations the greater the dole.

**Mr. FRAZIER.** Absolutely; and I would like to see higher amounts paid, high enough so that the farmer will get a profit on his product. He is entitled to a profit just as much as is the manufacturer entitled to a tariff to protect him and give him a profit on his products. But we know that we cannot get it. In my opinion, it is impossible to get the Congress to appropriate a billion and a half dollars annually to take care of the difference between the present farm prices and cost of production. It is an impossible proposition. When the present Agricultural Act was up before the Senate Agricultural Committee a few months ago, the committee put in the bill a provision authorizing an appropriation large enough to carry out the purposes of the bill, and those who were in favor of doing something for the farmer insisted that that provision go in the bill; but, of course, when the bill went to the conferees, that provision

was stricken out. It was intimated that the President had said that he would veto anything above the amount that the bill had carried as passed by the House. This bill at the present time will be at least \$750,000,000 or \$775,000,000 below a sufficient amount to give the farmers the parity price on the five products that are included in the bill, to say nothing about the rest of the products.

I have here a letter which came this morning from Dayton, Wash. It is written by a lady who says she is a farmer. She says:

I am only one of the many millions on our farms in this great country, but let me tell you from experience that the low price of wheat is exhausting the farmers in body and soul as well as purse. These are terrible days of depression for most farmers. We should have a "cost of production" put on wheat, and a fair margin of profit to live on, as we must all live while we are growing a crop.

Here we pay 13 cents per bushel on wheat to our nearest terminal point, which is Portland, so you can readily see we don't get much for our wheat. Machinery and other necessities are not bought as a result of this low price for wheat. I believe if farmers received a decent price for their wheat, it would definitely help business in general for there is no buying now.

We who have horses work every daylight hour and many hours when there is no daylight. These conditions are making slaves of us.

We keep body and soul together, but that is about all. What for? I often wonder. I can't see any future ahead, only bankrupting days.

I want to tell you about ourselves—it is no different with us than with many other farmers.

Then she goes on. She says:

Only God knows how I have wept and prayed over conditions as they are, until it seems I have no voice left to protest this terrible condition.

She goes on and tells of present prices. Out in North Dakota we are getting 17 cents a pound for butterfat right now, 11 cents a dozen for eggs, and 56 or 57 cents a bushel for wheat. They are bankrupting prices. The Senator from Oklahoma [Mr. LEE] a few minutes ago made the statement that the increased appropriation in this bill will save many farmers from bankruptcy. It may, but there are a great many farmers who are going bankrupt now.

The figures that have been used are that one out of every five farmers in the United States has gone bankrupt, lost his home and his farm, during the past 18 years; and I think that statement is absolutely correct.

I believe that the farmer should have a square deal; and nothing but cost of production is a square deal for our American farmer, especially for the amount used for home consumption in the United States.

The Senator from Oklahoma also said that he wanted to see the farmers independent. I do, too. I should like nothing better than to see our farmers made independent; but they are not independent now. They are about as far in debt as they can get right now, and they are dependent on everybody in sight. That is the present situation of the farmer; and he is not by any means independent. He is anything but independent. Although he produces the food products which feed the Nation, he has nothing to say about the prices he will get. The present Agricultural Adjustment Act simply gives him a dole on five of the products he produces, if he will comply with the program and cut down production. It is the best he can get. The farmers are grabbing at it because it is the only thing that will give them a little better price.

The Secretary of Agriculture, when he came before the Committee on Agriculture on the cost-of-production bill in February of this year, stated that the wheat farmer might expect benefit payments amounting to 28 cents per bushel for the 1939 crop. He also said the loan price on wheat in 1939 would be 58 cents a bushel. That would make a total of 86 cents a bushel that the farmer who complied with the program this year might expect for his wheat. The parity price at that time, in February, was \$1.14 a bushel, as figured by the Department of Agriculture. That is 28 cents more than the 86 cents the farmers are going to get for 1939 wheat. The 86 cents was at that time only 75 percent of the parity price; and the present bill provides that if the farmer gets



75 percent of the parity price he does not need any of this additional payment. Seventy-five percent is all that the Agricultural Department seems to favor. We have hardly been able to get that amount, and of course it is below cost of production; and our farmers will continue to go broke as long as they are getting anything below cost of production, I do not care what it is. If it costs us say \$1.50 to produce a bushel of wheat and get a little profit on it, if we sell it for anything below that amount our wheat farmers are going broke. The cotton farmers will go broke, too, on anything less than cost of production for their product, especially for the amount used for home consumption.

I believe a bill can be worked out that will take care of the situation; but until it can be worked out I am for these appropriations. The higher they will go, up to the total of a billion and a half, which will give the farmers at least the parity price, the better, in my opinion, because it will give them that much more benefit payments.

So I am strongly in favor of the amendment of the Senator from Arkansas [Mr. MILLER], as well as the committee provisions that were put in the bill yesterday for higher amounts, because I think the farmers are entitled to them.

Mr. LUCAS. Mr. President, a short time ago the distinguished Senator from Oklahoma [Mr. LEE] was discussing the farm program in general, incidental to the amendment offered by the Senator from Arkansas [Mr. MILLER], and he made a statement which caused me to engage in a short debate with him upon a certain phase of the farm program.

One of the great troubles with a farm program of this kind is that so many persons have a notion that the farmer who is cooperating is receiving the benefit of the total amount that is appropriated or will be appropriated in this bill. They have an idea that the farmer is getting the greatest portion of this sum through benefit payments and through checks which come to him from time to time; and from the remarks of the Senator from Oklahoma [Mr. LEE], which were agreed to by the Senator from North Dakota [Mr. FRAZIER], it seems that this small amount, in comparison with the total amount of the income of the farmer, is the basis for their assertion that we are putting the American farmer on the dole. Notwithstanding the fact that the Senator from North Dakota says we are putting the farmer on the dole, and he does not like that situation, yet the Senator would increase the appropriation to a billion and a half dollars to give the farmer parity payments. So if the farmer is on a dole now, he would be on a superdole then. Mr. President, I deny this implication. Any amount he receives will only add to his dollar more purchasing power, to which he is justly entitled under the unbalanced economic laws of this Nation.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. FRAZIER. If the farmer should get what I want to give him, he would at least get what the Department of Agriculture calls parity; and the provision in the pending bill at the present time will give him only 75 percent of parity, at best.

Mr. LUCAS. That does not change the statement of the Senator from North Dakota. Even though the farmer got parity payments—and no one would like to see the farmer get parity payments any better than would the Senator from Illinois—yet, notwithstanding that, following to a logical conclusion the statements of the Senator from North Dakota and the Senator from Oklahoma, the farmer would, under this appropriation, be on a dole.

Mr. FRAZIER. Mr. President, if the Senator will yield again, I shall try to explain the matter a little bit further.

Mr. LUCAS. I wish the Senator would do so, because I think his statement needs an explanation.

Mr. FRAZIER. According to my definition of a dole, anything that is a direct appropriation from the United States Treasury for the farmer is a dole; or, if it is a direct appropriation for labor, it is a dole. That is my definition of a dole. If I am not correct, that is all right; but that is my definition.

Mr. LUCAS. I am very sorry that I cannot agree with the able Senator from North Dakota on the definition of a dole as he has defined it here to the Senate and to the country. It

is not my notion as to what a dole is, and I do not think very many Senators will agree with him upon that definition. My understanding of a Government dole has always been such sums of money given by the Government directly to individuals who have no employment and depend entirely upon these sums to sustain themselves.

But I rose, Mr. President, primarily for the purpose of saying to the Senate that in this large appropriation bill at the present time we find millions upon millions of dollars appropriated which never reach the farmer's pocket. For instance, in running through the bill I find an appropriation for forest-fire control, an appropriation for Japanese beetle control, an appropriation for fruit insects, an appropriation for the Mexican fruitfly, an appropriation for citrus canker eradication, an appropriation for gypsy and brown-tail moth control, an appropriation for Dutch elm disease eradication, an appropriation for thurberia beetle control, an appropriation for cotton insects, an appropriation for foreign parasites, and an appropriation of \$191,000,000 for the Bureau of Public Roads, none of which have a single thing to do with benefit payments to the farmer. Forestry gets \$21,000,000, the Biological Survey \$4,600,000, and the Bureau of Plant Industry \$4,000,000. So we could go on down through the appropriation bill and find millions upon millions of dollars of which the farmer will never receive a single dime in benefit payments, or in any other way, unless he gets it indirectly.

My only reason for taking the time of the Senate is to discuss this matter in the light of the arguments made by the two Senators to whom I referred a moment ago. I now submit facts and figures which cannot be challenged. In 1933 the farmer in this country had a cash income upon all of the commodities produced of \$5,117,000,000, which included the benefit payments he received through appropriations of the Congress. The total payments, figured as a percentage of the cash income from the farm marketings, was 3.3 percent. In other words, what the farmer got out of benefit payments, in comparison with the total income that year, was 3.3 percent.

In 1934 the total income of the farmer was a little over \$6,000,000,000, and he received in comparison with that income, so far as benefit payments were concerned, 9.6 percent. In 1935 the farmer received nine-tenths percent in benefit payments. In 1936 he received 3.8 percent in benefit payments.

In 1937, with a total income of the farmer of a little over \$8,000,000,000, the actual money he received through the checks, which it is said are going to put him on the dole, was the small sum of 4.5 percent.

In 1938 the total income of the farmer at \$7,150,000,000, which was almost a billion dollars less than it was in 1937, how much do my colleagues suppose the farmer received out of the \$500,000,000 we appropriated for soil-conservation payments, and out of the \$212,000,000 we appropriated last year for adjustment payments, under what was known as the parity payment amendment to the legislation at that time? The farmer actually received out of the appropriation of \$500,000,000 and \$212,000,000, which made \$712,000,000, the sum of \$482,000,000, or about 6.6 percent of the total farm income in this country that year.

In other words, out of every \$100 last year the farmer received as income, \$93.40 was produced by his own labor and \$6.60 came from the Federal Government.

Mr. President, I put these figures into the RECORD for the primary purpose of refuting the argument that these benefit payments are for the purpose of putting the American farmer on the dole.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Arkansas [Mr. MILLER].

Mr. RUSSELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Barbour	Bulow	Chavez
Andrews	Barkley	Burke	Clark, Idaho
Ashurst	Bilbo	Byrd	Connally
Austin	Borah	Byrnes	Danaher
Bankhead	Brown	Capper	Davis

Donahey	Johnson, Colo.	Minton	Sheppard
Frazier	King	Murray	Slattery
George	La Follette	Norris	Smathers
Gerry	Lee	Nye	Smith
Green	Lodge	O'Mahoney	Stewart
Guffey	Logan	Overton	Taft
Gurney	Lucas	Pepper	Thomas, Okla.
Hale	Lundeen	Pittman	Tobey
Hayden	McKellar	Radcliffe	Townsend
Hill	McNary	Reynolds	Tydings
Holman	Maloney	Russell	Vandenberg
Holt	Mead	Schwartz	Wagner
Hughes	Miller	Schwellenbach	

The PRESIDING OFFICER. Seventy-one Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment proposed by the Senator from Arkansas [Mr. MILLER], on page 92, line 21.

Mr. RUSSELL. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. Not knowing how he would vote on the question, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. AUSTIN. I desire to announce the following general pairs:

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Virginia [Mr. GLASS];

The Senator from Vermont [Mr. GIBSON] with the Senator from New Mexico [Mr. HATCH];

The Senator from Maine [Mr. WHITE] with the Senator from Missouri [Mr. CLARK]; and

The Senator from New Hampshire [Mr. BRIDGES] with the Senator from Utah [Mr. THOMAS].

I am not advised how the Senators named would vote on the pending question.

Mr. MINTON. I announce that the Senator from Indiana [Mr. VAN NUYS] is detained from the Senate because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from Iowa [Mr. HERRING], the Senator from West Virginia [Mr. NEELY], and the Senator from Missouri [Mr. TRUMAN] are absent on important public business.

The Senator from Washington [Mr. BONE], the Senator from Louisiana [Mr. ELLENDER], the Senator from Utah [Mr. THOMAS], the Senator from Massachusetts [Mr. WALSH], and the Senator from Montana [Mr. WHEELER] are detained in important committee meetings.

The Senator from Nevada [Mr. McCARRAN] is absent on official business for the Committee on the Judiciary.

The Senator from Arkansas [Mrs. CARAWAY] and the Senator from Virginia [Mr. GLASS] are unavoidably detained.

The Senator from Missouri [Mr. CLARK], the Senator from California [Mr. DOWNEY], the Senator from Iowa [Mr. GILLETTE], the Senator from Mississippi [Mr. HARRISON], and the Senator from New Mexico [Mr. HATCH] are detained on business in various Government departments.

The result was announced—yeas 31, nays 39, as follows:

## YEAS—31

Andrews	Frazier	Lundeen	Schwartz
Barkley	George	McKellar	Schwellenbach
Bilbo	Hill	Müller	Sheppard
Borah	Hughes	Murray	Smathers
Bulow	Johnson, Colo.	Norris	Smith
Capper	La Follette	Pepper	Stewart
Clark, Idaho	Lee	Pittman	Wagner
Connally	Logan	Reynolds	

## NAYS—39

Adams	Danaher	Holt	Radcliffe
Ashurst	Davis	King	Russell
Austin	Donahey	Lodge	Slattery
Bankhead	Gerry	Lucas	Taft
Barbour	Green	Maloney	Thomas, Okla.
Brown	Guffey	Mead	Tobey
Burke	Gurney	Minton	Townsend
Byrd	Hale	Nye	Tydings
Byrnes	Hayden	O'Mahoney	Vandenberg
Chavez	Holman	Overton	

## NOT VOTING—26

Bailey	Gibson	McCarran	Van Nuys
Bone	Gillette	McNary	Walsh
Bridges	Glass	Neely	Wheeler
Caraway	Harrison	Reed	White
Clark, Mo.	Hatch	Shipstead	Wiley
Downey	Herring	Thomas, Utah	
Ellender	Johnson, Calif.	Truman	

So Mr. MILLER's amendment was rejected.

## LOUISIANA NATIONAL BANK AND HIBERNIA BANK &amp; TRUST CO.

The PRESIDING OFFICER (Mr. BROWN in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1515) for the relief of the Louisiana National Bank, of Baton Rouge, and the Hibernia Bank & Trust Co., of New Orleans, which was, on page 1, line 11, to strike out all after "Provided", down to and including "\$1,000", in line 11 of page 2, and to insert—

That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. OVERTON. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

## AGRICULTURAL DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 5269) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1940, and for other purposes.

Mr. CLARK of Idaho. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 47, line 20, it is proposed to strike out "\$139,152" and to insert in lieu thereof "\$199,152."

Mr. CLARK of Idaho. Mr. President, on page 47 of the bill now under consideration, under the appropriations made for the Forest Service, we find, beginning at line 14, the following brief paragraph entitled "Forest Influences":

Forest influences: For investigations and experiments at forest experiment stations or elsewhere for determining and demonstrating the influence of natural vegetative cover characteristic of forest, range, or other wild land on water conservation, flood control, stream-flow regulation, erosion, climate, and maintenance of soil productivity, and for developing preventive and control measures therefor, \$139,152.

The effect of the amendment I have proposed would be to increase the appropriation by \$60,000. I may say that the Secretary of Agriculture requested an additional \$60,000 for this work. The request, however, was declined by the Bureau of the Budget, and in turn was declined by the House committee. I appeared before the Senate committee in support of the increase. I wish to take this opportunity to thank the able Senator who was chairman of the Senate Subcommittee on Appropriations, which held hearings on this bill, as well as the entire committee, for the very courteous and fair hearing I received both in connection with this and with other items.

The matter is of vital importance to the West. It involves entirely experimental and research work and proposes an increase in the appropriation of only \$60,000, which, I am perfectly certain from my conferences with representatives of the Forest Service and from the testimony given before the committee, is vitally needed. So, despite the courteous treatment I received before the committee, I desire briefly to explain the amendment to the Senate in the hope that the Senate may see fit to increase the amount carried in this item for the entire western section of the country by \$60,000.

The \$139,000 which the bill carries is now being distributed over the entire country in studies being made of watersheds and the headwaters of various streams with a view to preventing floods and erosion conditions resulting in floods. It can be appreciated that \$139,000 for such a purpose does not



go very far. Experiments are being conducted in the Great Lakes region, in the South, and in the Eastern States. Of the entire appropriation of \$139,000, only \$14,000 is presently available to the intermountain region, and very little in excess of that amount is available to the entire region west of the Rocky Mountains.

Most of our land is irrigated, and in recent years the sudden, rapid floods which come down our mountain streams, due to an early run-off of the melting snows, have been increasing year by year to such an extent that they have become a tremendous threat, and have cost the State of Idaho many million dollars a year, not to mention the cost to adjoining Western States. This flood condition, which has grown worse in recent years, is due to three causes: First, the misuse of the range lands which lie at the headwaters of the streams. That condition is improving, but the damage has already been done. Second, forest fires, which have burned over and destroyed the vegetation at the headwaters of the streams, permitting the snows to melt and run rapidly down into the valleys below. Third, the natural erosion which has been taking place at the headwaters of the various mountain streams.

A few years ago the President allocated money from emergency funds to the Forest Service for the study of ways to prevent disastrous spring floods at the headwaters of these streams due to freshets and quick run-off. Four experiment stations were built from emergency funds, one in Idaho, one in Utah, one in Arizona, and I believe one in California. The \$139,000 included in the bill as presently drafted will not further maintain those stations. As I have heretofore explained, it goes for the regular routine work of investigations all over the United States. If those stations are to be maintained, the additional \$60,000 is absolutely required, as appears from the testimony before the subcommittee.

The Forest Service has made remarkable strides in its research to date, enabling it to revegetate lands at the headwaters of the streams which have been burned over by forest fires, which have been overgrazed by sheep, and which the forces of erosion have stripped bare. Experiments are now being conducted at the experiment stations to ascertain, first, the proper kind of plant cover, the kind of revegetation best adapted to the use to which it is to be put, and secondly, to work out a system of supplemental engineering structures to hold in check the early melting snows, and consequently bring about a smoother, even flow of water throughout the year.

Mr. President, in my section of the country, when a flood occurs not only do we suffer the damage which the flood occasions, but the water is gone, for the floodwaters flow over the dam and go on to the ocean. Unless we have a reasonably steady run-off we not only suffer the property damage from the flood itself, but we likewise lose the water, which is our life blood. If the \$60,000 is not provided, every one of the forest research stations built from emergency funds, which stations are doing almost incalculably valuable work, will have to close down. I respectfully suggest to the Senate that to deny a small sum to protect hundreds of millions of dollars' worth of property in the future is really false economy.

I know the work which these stations have done; I know the progress they have made; and I hesitate to see the stations, which were built from emergency funds, practically shut down and their very valuable work discontinued.

I have nothing further to say. I know the committee considered the matter. I presume the committee will have to oppose the proposed increase in the appropriation; but, in all sincerity, I suggest to the Senate that it is a vitally needed item for the entire West, which today is receiving only an insignificant part of the \$139,000 which the bill carries, and which it carried last year.

Mr. RUSSELL. Mr. President, this item was first considered by the House committee and rejected. I understand it was submitted to the Budget and disapproved. The Senate

committee, while recognizing that there is much merit to the contention of the Senator from Idaho, has also rejected it.

The forest influence investigation, to which the amendment is directed, has for a great number of years received emergency funds from the Works Progress Administration. At least it has received such funds ever since the Works Progress Administration was instituted. In 1938 this investigation received an allocation of \$85,840 from emergency funds. In 1939 it received an allocation of \$57,200. We all know that in due course another appropriation will be made for carrying on the activities of the Works Progress Administration for the coming fiscal year, and undoubtedly an allocation will also be made from that appropriation for this purpose.

Mr. CLARK of Idaho. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CLARK of Idaho. I am advised—I do not know whether or not it appeared in the hearings—that the emergency funds will no longer be available. I do not know what the hearings show upon that question, but the Forest Service officials advise me definitely to that effect.

Mr. RUSSELL. I do not know how the Forest Service officials could tell this far in advance what will be done with an appropriation which has not yet been enacted by the Congress. In every emergency appropriation act to date the Congress has specifically earmarked a large sum of money for Federal activities. I anticipate that a similar course will be followed in the next emergency appropriation bill for the W. P. A.

In addition, Mr. President, other activities in the Department of Agriculture are carrying on similar work. In the Soil Conservation Service, which was established in 1935, a large unit has been established for carrying on practically the same type of work to determine the influence of forests on stream flow, the effect of forests on climate, investigations of the principles involved in soil and moisture conservation and methods for their practical application, and watershed investigations of the effect of land-use practices on run-off as related to the methods of control of erosion and floods. The total amount used by the Soil Conservation Service, the new agency for carrying on practically identical investigations, is \$1,641,000. I suggest that the \$1,641,000, when added to the \$139,000 in the item which the Senator from Idaho seeks to amend, is as much as the Congress can possibly justify for investigations of this type.

Mr. President, every Member of this body has research stations of one kind or another in his State for which he would like to secure additional appropriations. However, it occurs to me that there must be an end somewhere to the matter of obtaining emergency funds, building an experiment station, and then coming to the Congress and asking for supplemental funds for maintenance from year to year. Otherwise we are merely starting a snowball which, as it rolls on from year to year, will accumulate so much in the way of expenditures that it will constitute a drain on the Treasury which the public credit will not be able to sustain. It would be very pleasing to me to be able to support the amendment offered by the Senator from Idaho [Mr. CLARK]; but the committee went into the matter rather fully, and we could not see that it was as well justified as many other important items of appropriation in which other Senators are interested and which we rejected. I hope the Senate will reject the amendment now pending.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. CLARK].

The amendment was rejected.

Mr. GUFFEY. Mr. President, I move to reconsider the vote by which the committee amendment on page 47, line 13, striking out "\$121,295" and inserting in lieu thereof "\$131,295" was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Pennsylvania. Does the Senator care to address himself to the motion to reconsider?

Mr. GUFFEY. That is the first question.

The PRESIDING OFFICER. Without objection, the motion to reconsider is agreed to.

Mr. GUFFEY. I send to the desk an amendment to the committee amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 47, line 13, in the committee amendment, it is proposed to strike out "\$131,295" and insert in lieu thereof "\$149,295."

The PRESIDING OFFICER. The question now is on agreeing to the amendment offered by the Senator from Pennsylvania to the committee amendment.

Mr. GUFFEY. Mr. President, northeastern Pennsylvania, and more particularly the anthracite region, comprising approximately 12 counties and 50,000 square miles, is beset with problems of forestation for the purposes of fire protection, soil-erosion control, silvicultural management in the forests, forest pathological studies, tree diseases, wildlife management, and reforestation of denuded areas. In order to determine the full nature and extent of the needs, the Department of Agriculture suggests a preliminary survey at an estimated cost of \$18,000. My amendment proposes an increase in the appropriation, the increase to be used by the Allegheny Research Station of the Department of Agriculture in making the necessary survey. I move the adoption of the amendment to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Pennsylvania to the amendment reported by the committee. [Putting the question.] In the opinion of the Chair, the ayes have it, and the amendment to the committee amendment is agreed to.

The committee amendment as amended was agreed to.

Mr. BANKHEAD. Mr. President, I call up the amendment which has heretofore been presented by me and which has been printed.

The PRESIDING OFFICER. The amendment proposed by the Senator from Alabama will be stated.

The CHIEF CLERK. At the end of that part of the bill relating to "Disposal of surplus commodities" it is proposed to insert the following:

So much of such funds as may be devoted to encouraging the exportation of cotton or cotton articles, and any other funds which may be available or may hereafter be made available for the purpose of encouraging the exportation of cotton or cotton articles, shall be expended in accordance with the provisions of the following new section which is hereby added to the Agricultural Adjustment Act of 1933, as amended:

"SEC. 23. (a) The Secretary of Agriculture is authorized to make payments in kind or in money to any person who exports any raw cotton or articles manufactured in whole or in part from cotton, at such rates and under such terms and conditions as the Secretary of Agriculture determines are necessary in order that the cotton, or the cotton content in cotton articles, so exported, shall be fully competitive in the world markets: *Provided*, That such payments shall be discontinued during any marketing year when exports of cotton from the United States during such marketing year equal the average of the exports from the United States during the 10-year period ending July 31, 1932. Such payments on raw cotton are authorized to be made only upon cotton bought in the open market, except that payments may be made upon cotton released from loans made or made available by the Commodity Credit Corporation when cotton of suitable classes and quantities to fill cotton export requirements is not available in the markets of the United States. The Secretary is authorized to decide when such free cotton is not so available; but no such payments shall be made, and no obligation to make such payments shall be incurred, prior to January 1, 1940, with respect to any cotton on which a loan has been made or made available by the Commodity Credit Corporation, nor shall such payments be made or obligations incurred during the period from August 1 to December 31, both inclusive, in any marketing year with respect to any cotton on which any such loan has been made.

"(b) Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized and directed, under regulations prescribed by the Secretary of Agriculture, upon application by the owner, or his assignee, of cotton held under loans made or made available by the Commodity Credit Corporation to provide for the release to such owner, or his assignee, of any or all of the cotton of such owner, or assignee, during any marketing year, except during the period from August 1 to December 31, both inclusive, if the Secretary of Agriculture finds that the release of cotton held under such loans (1) is needed to supply suitable classes and quantities of cotton to meet the operating requirements of mills in the United States and is not available in the markets of the United States, or

(2) is needed to supply suitable classes and quantities of cotton to meet export requirements and is not available in the markets of the United States. Such cotton shall be released at a cost to the owner, or his assignee, equal to the current loan rate, plus (1) interest, insurance, and storage, for the period beginning at the average time when cotton was put into the current loan and ending at the end of the month when the cotton is released from the loan, and (2) one-fourth cent per pound for miscellaneous charges.

"(c) The Commodity Credit Corporation is authorized and directed under regulations prescribed by the Secretary of Agriculture to acquire and to make available to him such cotton as may be necessary to make payments in kind authorized by this section. The funds now and hereafter made available to the Commodity Credit Corporation are hereby made available to such Corporation to acquire and make available to the Secretary of Agriculture such cotton as may be necessary to make the payments in kind authorized under this section, and to provide for the release of cotton under this section. The funds now or hereafter made available to the Secretary of Agriculture for the purpose of encouraging the exportation of cotton or cotton articles, by, or for carrying out the purposes of section 32, as amended, of the act entitled 'An act to amend the Agricultural Adjustment Act, and for other purposes,' approved August 24, 1935, as amended, are hereby made available to the Secretary of Agriculture for payments authorized in this section, and for administrative expenses in accordance with the applicable provisions of this title. The determinations of the Secretary of Agriculture made pursuant to the provisions of this section and the facts constituting the basis for any payment when officially determined in conformity with the regulations prescribed by the Secretary of Agriculture shall be final and conclusive."

In order further to safeguard the expenditure of the funds appropriated in this item and any other funds which may be available or may hereafter be made available for the purpose of encouraging the exportation of cotton or cotton articles and for all other purposes, section 22 of the Agricultural Adjustment Act (of 1933), as amended, is hereby amended by inserting the words "or are likely to be" after the word "being" in subsection (a), by striking out the expression "July 1, 1928, to June 30, 1933" and inserting in lieu thereof the expression "January 1, 1929, to December 31, 1933" in subsection (b), and by striking out the words "15 days after the date of" and inserting in lieu thereof the words "the date fixed in" in subsection (c).

Mr. BANKHEAD. Mr. President, I think there is a very general misunderstanding as to the purpose of this amendment and certainly there is a misapprehension on the part of some in this Chamber and of some in the Cotton Belt. A great many people seem to have the idea that this amendment proposes to set up a cotton subsidy export program. I wish to call the attention of those who may be interested to the facts of the situation.

For a long time the agricultural laws have authorized the payment of export subsidies on agricultural commodities. Such a provision was contained in section 32, a part of what is known as the amendment to the Agricultural Adjustment Act passed in 1935. There is under that section an express authorization for the payment of funds appropriated by the Congress in carrying out export programs affecting agricultural commodities. That authorization, as is well known, was put into application in the matter of exporting wheat. More than 100,000,000 bushels of an exceedingly heavy surplus of wheat were exported, induced and encouraged by the payment of an export subsidy. That was done under the then existing law.

Section 12 of the present Agricultural Adjustment Act of 1938 contains another authorization for the payment of export subsidies in the judgment of the Secretary of Agriculture when he deems it for the best interest of the producers.

So, Mr. President, these two laws, one passed in 1935 and the other passed in 1938, provide the subsidy plan. They not only provide the subsidy plan but the law of 1935, section 32, expressly made—not authorized, but expressly made—appropriations amounting to 30 percent of the receipts derived from tariff duties for the purpose of carrying out, in part, that provision of the law. So, we are not proposing any new plan. We are not trying to establish in the law a principle that is not already established. The only thing needed for an export program for either wheat or cotton is the money with which to finance it; and section 32 provides the money by mandatory statute, as far as that money may go.

The situation here is based upon a request for additional funds to be added to the section 32 funds; and the Senate has granted that request. Practically by a unanimous vote the Senate adopted the amendment which adds \$113,000,000



to the amount of money heretofore appropriated under section 32. So the question now arises, with the original appropriations, which now amount to about \$90,000,000, and with the new appropriation of about \$113,000,000, what amount may be used for the exportation of cotton. Without any law, without any amendment, what amount may be used in the wide-open judgment of the Secretary of Agriculture?

If this amendment is not adopted, assuming the passage of this bill with the \$113,000,000 retained in it, the amount available for cotton will be approximately \$50,000,000. Under the authorization contained in the two sections, and with the money available under each of the sections, the Secretary of Agriculture is untrammelled, is entirely free to carry out an export plan under rules and regulations adopted by him, without any further amendment or authorization of Congress.

Recognizing that fact, Mr. President, the amendment offered here is not, as I have stated, for the purpose of creating the right to pay subsidies in exporting cotton, but it is in large measure for the purpose of laying down certain important rules and regulations for the administration of that power.

In the first place, this plan when first announced by the Secretary and approved by the President of the United States contemplated the exportation of cotton under the cotton loan. Everybody who has given any thought to this situation has become alarmed and disturbed over the large quantity of cotton that now rests in warehouses under the lien of the Government loan. No doubt that appalling situation was the inspiration for the suggestion by the administration to put into operation an export plan for cotton, as it did last year for wheat, and carried it out successfully. But that original program, as I said, contemplated the exportation of cotton under the loan.

I was unwilling to accept that program, as many other Senators from the Cotton Belt were unwilling to do, regardless of our views upon the fundamental question of the wisdom or good policy of engaging at any time and under any conditions in an export subsidy program. Regardless of that, a number of Senators were unwilling to go forward with a program to export loan cotton; and the reason for it was that if, as the Department of Agriculture believes can be done, we should export in excess of 6,000,000 bales of cotton and take it out of the loan, the question would arise, Where would the farmer sell his crop that is coming on the market, beginning in August, of approximately 12,000,000 bales under normal yield conditions?

If, through the export plan, the foreign markets had received all of the cotton they would buy from the United States, and if they had taken all of that cotton out of the loan, as they could do without this amendment, then I desire to know what would become of the 12,000,000-bale crop to be brought to the market beginning in August? The foreign market would be satisfied. There would be a domestic market for around 6,000,000 or 6,500,000 bales, and a supply of 12,000,000 bales from the new crop, plus whatever carry-over might exist of free cotton from the old crop. Inevitably a program of that sort would drive down the domestic price of cotton. That would mean that the farmer would do one of two things: He would get less return, a smaller income from the sale of his crop; or he would put it under the cotton loan, the very thing that all of us are trying to avoid.

If the plan were worked out in such a way as to create a large supply in excess of the domestic requirements, and with the world's foreign markets already satisfied, it is evident that, of course, large quantities of the new crop would go back into the loan.

So the method I have described is exactly reversed under this amendment. Instead of first exporting cotton under the loan, the amendment reverses the procedure and requires that cotton to be exported must be bought in a free market; that it must be bought from farmers as they bring the cotton to market, beginning in August, and that the loan cotton must be kept sealed up until next January. Assuming an export foreign market for 6,000,000 bales, and assuming it to be sup-

plied from the free market, there would be only around 6,000,000 bales, or a little more, to supply the domestic market of six and a half to seven million bales of consumption. That tight situation in the cotton market would of necessity hold the domestic price of cotton around the point that is required to draw cotton out from the loan. A farmer has the right to have his cotton under the loan released at any time by paying the loan and the carrying charges. The crop of 1938, just put under the loan, cost around 9 cents a pound. So as soon as cotton is needed for domestic consumption, under this amendment the Secretary has power to call upon the Commodity Credit Corporation for the release of that cotton on the application of the owners.

Mr. ADAMS. Mr. President, will the Senator allow me to make an inquiry?

Mr. BANKHEAD. Certainly.

Mr. ADAMS. Probably what I have in mind has been explained. My inquiry is on the point the Senator is discussing, as to the release of cotton to the owner at a cost equal to the current loan rate. If the Senator has already explained that matter, I will not ask him to repeat the explanation.

Mr. BANKHEAD. I have not done so. The current loan rate means the one now prevailing. There are some old loans. There is one old loan which was made away back in 1934.

Mr. ADAMS. The phrase means the amount that could be borrowed on cotton today?

Mr. BANKHEAD. That is correct; the amount necessary to retire the loan or release it.

Mr. RUSSELL. Mr. President, in order to complete the record, I suggest to the Senator from Alabama that he state what that amount would be today.

Mr. BANKHEAD. It would be nine and eleven-one hundredths cents. That amount would be necessary to withdraw the cotton from the loan. So if there is a tight situation in the spot market, with no surplus to depress the price, and with the loan plan standing wide open for the cotton farmers next fall—a mandatory loan under the law—then it becomes self-evident that the domestic cotton mills will pay a price sufficient to prevent the cotton of the new crop going back into the loan, because they have to have that cotton.

There will not be an excessive increase in price. The present price of spot cotton, the average price, is 8.90 cents—approximately 9 cents—so that the necessity of the local cotton mills paying possibly a dollar a bale more should not weigh against this program, when consideration is given to the tremendous advantages to accrue from the administration of this export plan.

We have a horrible statistical situation in regard to cotton. I assume it is worse than in regard to any other agricultural commodity. A carry-over of nearly 14,000,000 bales will be on hand on August 1—the largest in all the history of the United States.

We have a constantly decreasing export market. Some years ago the export average was seven and one-half million bales. This year the exports will amount to scarcely 4,000,000 bales; indeed, it is thought that the total exports, when the end of the marketing year arrives, will not amount to 4,000,000 bales—a reduction in exports of cotton of three and one-half million bales.

What are we to do about it? This is not solely a cotton farmer's problem; this is not solely a southern situation. A great crop such as cotton, upon which the economy of 10 or 12 States is primarily based, is not solely a local problem.

I have heretofore pointed out—and I take the opportunity to do it again—that from the time the ports of entry in the United States were established, 150 years ago, the balance of trade, the net increase in national wealth of the United States during its entire fiscal history, was made up, to the extent of more than 90 percent, of cotton, raw cotton, and cotton textiles. If there had been no cotton, we would have traded in vain during all these years, so far as increasing our national wealth through foreign commerce was concerned.

I have mentioned heretofore the tremendous value to the industries of America of cotton farmers having a parity income, the value to the agricultural population of the West, because, year after year, we have bought from that section thousands of carloads of agricultural products, such as hay, hogs, meat, and lard.

As Senators all know, the South is not an industrial section, it is an agricultural area. One can enter the largest department store in the largest city in the South and go from the cellar to the dome and he will find but very few articles for sale that were produced within the Cotton Belt. It is astonishing how few local products of industry are used to supply the needs and comforts and requirements of all the people residing in the Southern States.

What does that mean? It means that the sole source of income of the cotton farmer is of tremendous importance to industry throughout the country. It means that every day throughout the year every mail carries remittances from the Cotton Belt to pay for the products of industries located in the industrial sections of this country. Likewise every mail carries checks to pay insurance premiums of all kinds, to pay interest on mortgages on the security of which money has been loaned by the great financial institutions of the East; to pay the dividends upon securities of railroads, electric companies, and other utilities in the South the stocks and bonds of which are all owned in the East.

When we had a parity income, cotton brought, for 17 years, on an average \$1,400,000,000 to the South. Sixty percent of that great sum of money came from foreigners across the seas. But it did not remain in the South. As soon as it reached there it started to flow back to the industrial and financial centers of America.

Mr. President, I am pointing out these facts so as to emphasize the thought that our problem in the South is national in its scope. For many years during the period when we had parity income the railroads running into the South—the Illinois Central, the Frisco, the L. & N., the Seaboard, the Southern—could not get sufficient equipment to haul to the South the products of industry which merchants in the South were ordering to sell to their southern consumers. Consider the situation now. With the unhappy reduction in the income of our people because of the lesser amount of money received from our great basic cash crop, thousands of railroad employees are off the trains and off the rolls because income of the southern people has been so greatly reduced that they cannot buy as they did prior to 1930.

Mr. President, we have to find markets. We have lost much of our cotton market in the dictator nations. Germany and Japan have been two of our three greatest buyers of cotton during a long period of years. Now we have lost a market for a million bales in Japan, a market for a million bales in Germany, and a market for a million bales this year in Great Britain. We have lost practically all our former exports to Italy.

What can we do about it? The southern people have not been responsible for conditions which brought about the loss in foreign sales of their great cash crop. But we have lost three sales, and we have lost them in part because, we are told, other countries are selling cotton at lower prices than that for which we are selling. We have lost them and continue to lose them because former customers are now engaged in bartering with other nations to get their cotton, while we stand here upon a normal trade relationship with the nations of the world, a relationship which ought to exist and which I hope some day to see return. But while we are following the old trade program, trading in the open market, relying upon the quotations for cotton on the cotton exchanges at Liverpool, Alexandria, and Bombay, we are told that other countries are cutting prices and are engaged in cutthroat competition. They are offering their cotton, the Department tells us, at a little lower price than the market price put upon the exchange boards throughout the world, by which our people abide. They are

not only doing that but foreign countries are increasing their acreage devoted to cotton production.

The Secretary of Agriculture and the President of the United States believed in the submission of this program, thinking it would be helpful from many standpoints; that it would give notice to the world that we would no longer acquiesce in trade conditions relating to cotton which are steadily putting us out of the markets of the world; that it would give notice to foreign countries that they need not proceed with their plans of increasing acreage planted to cotton because, forsooth, it would not sell so high, it would not be so profitable to them as it has been in recent years in competition with American cotton.

Mr. President, there are many reasons for a trial of this program, the chief one of which is the emergency under which we are laboring. The program, as I have stated, is not in accordance with the method of administration supported originally by Secretary Wallace, but after it was submitted to him, and after he and his assistants had carefully considered it, they reached the conclusion that it was a better program than the one they announced, and they are actively supporting it. There may be some exceptions, but most of the Senators from the cotton-producing States are in favor of the program.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. CONNALLY. The Senator mentioned the falling off in our export trade in cotton. Is it not true that one reason why the export trade in cotton has fallen off is the price at which our cotton is held in loans?

Mr. BANKHEAD. That is an argument, as I suggested just now, which the Department insists is correct.

Mr. CONNALLY. If we have the cotton, and foreign buyers want it, but we are not selling it to them, the price or the sales terms certainly have some effect on the matter.

Mr. BANKHEAD. It seems so.

Mr. CONNALLY. Under present conditions, if a European buyer of cotton can buy foreign cotton, he will buy it, will he not? That is, if it suits his needs he will buy the foreign cotton, if it is cheaper than ours?

Mr. BANKHEAD. He is buying the foreign cotton; there is no doubt about that.

Mr. CONNALLY. If we are to sell him any cotton must we not offer him some sort of a plan such as that now under consideration, or some sort of inducement, so as to make it desirable for him to buy American cotton?

Mr. BANKHEAD. I have reluctantly come to that belief.

Mr. GEORGE. Why not sell it at the market price?

Mr. BANKHEAD. Is the Senator in favor of repealing the law?

Mr. GEORGE. I am in favor of repealing parts of it; yes, sir.

Mr. BANKHEAD. The loan plan?

Mr. GEORGE. Yes; if we have to do that to avoid the accumulation of cotton and to prevent the creation of a two-price system here.

Mr. BANKHEAD. The Senator has fought several vigorous battles shoulder to shoulder with me to get the loan and to get as high a loan as possible.

Mr. GEORGE. Exactly. I have done that because when we circumscribe the farmer and restrict him so that he can produce only a limited quantity of cotton, the Government does owe him the obligation to see that his crop brings a livable price. But by this time we ought to be able to see what the loan is doing with respect to the cotton problem as a whole.

Mr. BANKHEAD. I am not in accord with my dear friend on that subject. I always value his good judgment; I know he is sincere; but it seems to me that such basic agricultural commodities as cotton, wheat, and corn should be dealt with upon the same basis of protection against collapse in price. I think the loans have been of tremendous value to wheat, cotton, and corn producers, and I am not in favor of repealing any of the loan laws. Of course, that is not the subject which is now involved.



Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BARKLEY. Of course, we have provided in all of the agricultural bills for a loan feature, and we have also contributed in the way of benefit payments, recognizing, as the Senator from Georgia has said, the obligation of the Government to compensate the farmer in some way for the reduction in his production. But all of that has been done in order to help the farmer and to increase the price of his product because of the reduction in the quantity.

If there had been no reduction in acreage and in the production of any of these crops during the period in which the laws have been in effect, and the farmers had no inducement to reduce, and had produced to the fullest of their capacity, the chances are that prices would have been much lower than they have been. Not only would the market prices have been lower, but none of the benefits which have accrued by reason of the carrying out of the farm program would have resulted.

It is undoubtedly true that an unfortunately large amount of cotton has been accumulated because of the loans. It probably would have been sold at some price if it had not been for the loan feature. That price might have been much below the cost of production—much below what the cotton actually brought. No one can tell what the result would have been if something else had happened which did not happen. But we know that we have about eleven and one-half million bales of cotton now impounded under loans, and under the law as it now is that cotton cannot be sold below the loan figure placed upon it, plus the carrying charges up to date, which is what makes the price above the market price, as I understand. Is that correct?

Mr. BANKHEAD. It is difficult to know what the market price is. We sell at one price, and Brazil sells at another price in the Liverpool market.

Mr. BARKLEY. I am speaking of the American market price. The American market price is lower than the loan on the cotton and the carrying charges, as I understand, on the average.

Mr. BANKHEAD. Very little at this time. As I stated a moment ago, the loan and carrying charges now, under the statement of the Commodity Credit Corporation, would be 9.11 cents. The average price just a day or so ago at the 10 spot markets for cotton was 8.90 cents. So there is only 20 points difference there, or a dollar a bale, between the market price and the amount necessary to withdraw cotton from the loan.

Mr. BARKLEY. The whole cotton situation is extremely complicated, and it is difficult for the ordinary layman to understand the economics of it. I do not know whether expert cotton men understand it. A few days ago I asked one of the ablest cotton men in the United States, if not in the world, who is opposed to the export subsidy—

Mr. BANKHEAD. Has he had any foreign interest?

Mr. BARKLEY. I do not know. He may have. I asked him how we are ever to start to sell the cotton now being held, and he confessed he did not know. I think he was perfectly honest about it. He said he did not know, and I certainly do not. However, I am anxious to do something that will start the cotton moving. If we could just skip 1 year of raising cotton altogether, and use what we have accumulated to meet the demands for American cotton, we could solve the problem in that way; but we have no power to prevent the cotton growers from planting it, and I know of no inducement which we can hold out that is sufficiently attractive to induce them not to plant. In the absence of anything of that sort, how are we going to get this cotton off our hands? What are we going to do with it?

Mr. BANKHEAD. That is what all of us want to ascertain. We are groping. Here is a plan proposed which may have some beneficial results. We have the money provided, and a certain amount of it is available for application to cotton under the law. The administration proposes to use that money, which is already appropriated in this way, in the belief that it will cause an increase in our exports.

Mr. BARKLEY. I appreciate that. In yesterday's mail at my home I received a special-delivery communication from an organization in Stoneville, Miss., in which were set forth a good many reasons why this export subsidy plan should not be adopted. Among other things, it was suggested that it would bring on a sort of trade war between our country and other cotton-producing countries, and that they would say to us, "If you are going to sell the cotton you have under the loan below the market price, we will start in and cut prices," and that there would be chaos in the world markets with respect to cotton. What is the Senator's reaction to that suggestion?

Mr. BANKHEAD. We did the same with wheat.

Mr. BARKLEY. I am not defending the pamphlet. I am simply asking the Senator what he thinks about what it stated.

Mr. BANKHEAD. I am answering it with a concrete case. I just stated that the administration last year exported wheat on a subsidy plan, which averaged about 21 to 22 cents a bushel for 100,000,000 bushels. It offered it in the foreign markets and sold it. No one made any complaint that that unsettled or disturbed the general wheat market.

Mr. BARKLEY. I do not know the amount of wheat involved in that transaction by comparison with the amount of cotton that might be involved, and whether it was sufficient to have any appreciable effect upon the wheat market. The Senator probably has looked into that matter. It might depend somewhat on the proportion of the commodity unsold and hanging over the market, and perhaps it would also depend upon the supply that is available in other countries.

Mr. BANKHEAD. I assume the letter the Senator referred to was written by Mr. Oscar Johnston?

Mr. BARKLEY. It was not signed by him.

Mr. BANKHEAD. I know his views on the question.

Mr. BARKLEY. It is signed by four or five gentlemen who are members of the organization.

Mr. BANKHEAD. Mr. Johnston sends out material dealing with cotton. The name of his company is the Delta Pineland Co. When I say it was written by him I do not mean to speak in derogation of him. He is a very able man, one of the ablest men I know. But he has had those views on this particular subject for many years.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. RUSSELL. The Senator referred to the fact that there was a difference of only about 20 points between the loan price and the market price.

Mr. BANKHEAD. No; I said that the farmer would draw the cotton out at the amount of the loan plus the carrying charges. The market price is now above the loan price. The loan price is 8.30 cents and the market price 8.90 cents.

Mr. RUSSELL. Does not the Senator from Alabama think the rate of loan that is fixed has a very great effect on the market price?

Mr. BANKHEAD. Oh, yes; I think it does; just as it does with respect to corn. I think everyone will admit that a high loan figure for corn, much higher than wheat or cotton, has held the general price for corn higher than it would have been but for that loan figure. I have heard from leading corn representatives that that is true.

Mr. RUSSELL. So far as competition for European markets is concerned, we have put the world on notice as to just what the American market would be, and all that was necessary for foreign competitors to do to capture markets which had belonged to the American producer was to reduce their price slightly under the loan price that was fixed in this country.

Mr. BANKHEAD. That is what the cotton traders report—the very fellows who do not want any export program. They say they cannot now sell cotton, and that they have been losing sales because foreign cotton, principally Brazilian cotton owned in large measure by American interests, is offered and sold slightly below the price of American cotton.

Mr. BARKLEY. Will the Senator permit me to give him the name of the organization to which I referred? It is the

Delta Council, Stoneville, Miss. The letter is signed by John Petty, president; W. T. Winn, chairman of the executive committee; and Howard Stovall, chairman, Federal program and foreign trade section, committee on agriculture. I do not know any of those gentlemen.

Mr. BANKHEAD. As I stated in the beginning of my remarks, the question is not whether or not we are to have subsidized cotton. There is general confusion on that subject, and from the statement of the majority leader I see that he is confused. We shall have subsidized cotton exports whether or not we adopt this amendment. It was announced by the administration, by the Secretary of Agriculture, and by the President of the United States that they favored a subsidized export cotton program, and the Secretary of Agriculture came before the committee advocating an increase in the appropriation under section 32. The committee has allowed that increase. So under the general law doubtlessly cotton will be exported this year just as it was last year. So the question now is whether we shall follow the general program and export under the judgment and discretion of the Secretary, or whether we shall adopt the plan now proposed fixing certain protective provisions for the protection of the domestic cotton price and the loan cotton plan.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. MILLER. In connection with the Senator's statement that we would have an export cotton subsidy under the present law I find in section 32 this language, which does not quite agree with the statement made by the Senator.

Mr. BANKHEAD. I know to what the Senator is referring. He will find that the provision to which he refers has been repealed.

Mr. MILLER. That is what I was asking about. When was it repealed?

Mr. BANKHEAD. In the Agricultural Act of 1938, the last provision, with respect to raw cotton. I was responsible for the original provision. The Senator from Texas [Mr. CONNALLY] and Representative MARVIN JONES always opposed it. It was taken out.

Mr. MILLER. Why was the provision which prevented the use of section 32 funds in connection with the subsidized exportation of cotton originally put in the act?

Mr. BANKHEAD. Frankly, I will say to the Senator, that I am responsible for it. At that time more normal trade relations existed throughout the world. I thought that if we had any export business for cotton we ought to do it on cotton textiles, so I had that provision added.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. CONNALLY. I will say to the Senator from Arkansas that, as I recall, section 32 as originally adopted was offered on the floor of the Senate by myself.

Mr. BANKHEAD. Yes.

Mr. CONNALLY. The purpose of it originally was to take part of the money received from tariffs and say to the farmer, "You do not receive any benefit from the tariff. You pay increased rates on everything you consume, but you do not receive any benefit. We are going to take part of the tariff money and give it back to you as a subsidy or bounty to aid you in exporting your cotton abroad, where you have to sell it in a world free market." So the language to which the Senator refers was not originally in the amendment. I think it was added later by the Senator from Alabama.

Mr. BANKHEAD. I had it added in conference.

Mr. MILLER. I am in hearty accord with the intent of section 32. It was a bona fide effort on the part of Congress to divert the tariff for the benefit of the farmer. I am heartily in favor of that kind of operation if it can be provided. However, we have the provision in the original law, and now we are seeking to do exactly the reverse of what we said we wanted to do. That is the question I was raising.

Mr. BANKHEAD. I understand what has confused the Senator. The situation, concretely, is this: Congress has twice provided for the export of agricultural commodities on a subsidy basis. In the original act raw cotton was the only

thing excepted. Then in 1938 a farm bill, which had more careful consideration than any bill with which I have ever been associated or have observed since I have been a Member of the Senate, was on the floor of the Senate for 4 long weeks, under debate and scrutiny, section by section. It was before the conference committee for 4 long weeks. The conferees worked morning and evening, all day, earnestly, faithfully, and conscientiously going over the programs of the two Houses, and carefully considering every section put into the new law. In the 1938 act, which had all that careful consideration, and in which the subsidy for exports was reiterated and again written into the law, the provision against paying export subsidies on raw cotton was deliberately repealed. In that act we have the judgment of Congress on the question and the action by Congress. After being in the law from 1935 to 1938, the exception against paying subsidies on export cotton was removed from the law in a most carefully considered general agricultural program.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. CONNALLY. As I understand the Senator, he takes the position that under the general law, section 32, the President and the Secretary of Agriculture, without any further action by Congress, may use these funds to pay subsidies on export cotton?

Mr. BANKHEAD. Just as they have been doing on wheat. There is no doubt about it. Nobody disputes it.

Mr. CONNALLY. What the Senator proposes to do is to limit that authority, and try to preserve the price for the present crop by making the export subsidy apply only to the new crop rather than to the loan cotton. Is that the situation?

Mr. BANKHEAD. That is correct. That is the crux of the whole situation.

Mr. CONNALLY. I thought so.

Mr. BANKHEAD. The basis of the countersuggestion was that instead of taking loan cotton, as they have the power to do if the farmers withdraw it, the exporters should be required to go into the open market. When that suggestion was carefully and fully considered, it was agreed that it was a better plan than the original one; and I was asked to present the matter to the Congress.

Mr. CONNALLY. Let me ask the Senator one other question. Suppose under the present loan the Government should acquire title to the loan cotton. It would then become Government property. Under section 32, could the Secretary of Agriculture and the President then use the funds to export that cotton, and take a loss if necessary?

Mr. BANKHEAD. I do not know of any reason why they could not do so after the 1st of July. They could not take over the cotton until the 1st of July.

Mr. CONNALLY. I understand; but when they took it over they could do as I have indicated?

Mr. BANKHEAD. Yes. The Senator from South Carolina [Mr. SMITH], who is familiar with the problem, introduced a bill relating to it this year. The farmers may withdraw the cotton when it reaches a certain point.

Mr. CONNALLY. But if they do not withdraw it, the title goes to the Government.

Mr. BANKHEAD. Not only is that true, but the loan of 1934 is past due, and the cotton may be taken over at any time by the Commodity Credit Corporation. The maturity of the loans on the 1937 and 1938 crops has been extended until the first of August; but the crop of 1934 is subject to capture by the Government at any time.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. DANAHER. Awhile ago I understood the Senator to say that the crop this year would reach approximately 12,000,000 bales.

Mr. BANKHEAD. That is the normal yield.

Mr. DANAHER. About how much of that crop will find a market in this country?

Mr. BANKHEAD. Judging by the experience of this year and last year, I should say, in round figures, 6,000,000 bales, or perhaps a little more than that this year. Last year the fig-



ure was 5,600,000 bales, but the consumption in this country has increased over that of the preceding year.

Mr. DANAHER. If the same system of loans as in the past were to be offered to the farmers, rather than the proposed plan, can the Senator tell me about how much it would cost?

Mr. BANKHEAD. I do not quite understand the Senator's question.

Mr. DANAHER. To put it in another way, as I recall, there was some testimony before the committee of which the Senator is a member to the effect that there is now approximately \$550,000,000 in loans outstanding against loan cotton.

Mr. BANKHEAD. That is correct.

Mr. DANAHER. About how much more in additional loans would be offered to the cotton growers for this year's crop?

Mr. BANKHEAD. I repeat that I have tried to impress the view that under the plan contained in the amendment no more cotton will go into the loan, because if through a subsidy we take half of this year's crop out of the market and ship it abroad, we shall have such a demand for this year's crop for domestic consumption that instead of the cotton going into the loan the price will go slightly above the loan value, as we all think, and the mills will be bidding for it. That will keep the cotton from going into the loan.

I will say to the Senator that the primary purpose of the amendment is to hold the domestic price of cotton around the loan level, so that no more will go into the loan.

Mr. DANAHER. I thank the Senator. In view of that answer, if the plan proposed by the Senator were not adopted, how much would be offered in loans?

Mr. BANKHEAD. That is purely speculative.

Mr. DANAHER. Can the Senator give me an estimate?

Mr. BANKHEAD. No; I cannot. I will say to the Senator that since the amendment was offered, the price of cotton has gone up \$2 a bale, or from 40 to 50 points, on the theory that if the amendment is agreed to, or if there is a prospect of its being agreed to, the cotton situation will be tight. As I stated a while ago, the price is now up to within a dollar a bale of the price necessary to get it out of the loan. Of course if we exported the loan cotton, and left the whole 12,000,000 bales to be sold on a market having a demand of only 6,000,000 bales, we should probably have 4- or 5-cent cotton.

Mr. DANAHER. I thank the Senator.

Mr. BANKHEAD. A large quantity—probably all of it—would naturally go into the loan until the price again rose.

Mr. President, I am not going to take any further time about this matter. It has been under very careful consideration for some weeks not only by the Department of Agriculture but evidently by the President, by the cotton States, and by Senators. We have talked about a cotton program. We have presented from time to time cotton programs. I frankly think the plan offered by the senior Senator from South Carolina [Mr. SMITH] the best program that has been presented. I should be glad to work for that program, but we decided, as I think everyone else decided, that there was no chance to have it passed by the House.

Mr. BARKLEY. Mr. President, may I ask the Senator a question about his amendment?

Mr. BANKHEAD. Certainly.

Mr. BARKLEY. As I understand the amendment, it does not apply to any cotton that is now held by the Government until after January 1 next?

Mr. BANKHEAD. That is correct; that is intended to prevent competition with the farmers' crops this year.

Mr. BARKLEY. And between the months of August and December in any other year it will not apply to any cotton that is held under loan?

Mr. BANKHEAD. That is correct; that is, during the marketing season.

Mr. BARKLEY. So that during the months from August to December, which constitute the cotton marketing season, preference is given to what we call free cotton in the granting of this subsidy. Then, after that, if the world demand has not been supplied, the Commodity Credit Corporation,

under rules provided by the Secretary of Agriculture, may release cotton then held under loan.

Mr. BANKHEAD. That is correct.

Mr. BARKLEY. But only on the payment of the cotton loan rate, that is, the current, that is the original rate plus interest charges—

Mr. BANKHEAD. Plus carrying charges.

Mr. BARKLEY. Plus carrying charges, and plus one-quarter of a cent in addition for miscellaneous expenses.

Mr. BANKHEAD. That is to protect the interests of the Government in the loan.

Mr. BARKLEY. Of course that would mean that if the market price were below all these charges the farmer would get the difference by having his cotton returned to him by the payment of that amount. For instance, if the loan that is already on the cotton amounted to 10 cents, I will say, and the current loan value of the cotton at that time plus the charges was 9 cents, the farmer would get his cotton back at 9 cents a pound, thereby gaining 1 cent. Is that correct?

Mr. BANKHEAD. Yes.

Mr. BARKLEY. Suppose the amount outstanding already plus the charges amounted to 10 cents, but the current rate of the loan in the course of a year, we will say, plus the same charges, was only 9 cents.

Mr. BANKHEAD. He would get it at what it cost the Government and any profit would be his. I am sure nobody can object to that.

Mr. BARKLEY. He would not get it at what it cost the Government; he would get it at the amount of the current loan rate, which might be less.

Mr. BANKHEAD. It might be, but there is not much prospect for a good long time, for the loans are at the minimum permitted by law.

Mr. BARKLEY. If the market price of cotton should go up so that its value would be greater than the current price, say, next year, plus these charges, the farmer, of course, would have a greater incentive to withdraw his cotton and pay all the charges so that he might obtain whatever profit would accrue to him by selling at the higher market price?

Mr. BANKHEAD. Broadly speaking, yes. Of course, the farmer could take his cotton at any time when he could get a little profit on it. He has no hope of getting any as matters now stand.

Mr. MALONEY. Mr. President, I should like to ask the Senator a question. Can the Senator tell me whether under this plan there would be much difference between the domestic sale price of cotton and the sale price of cotton abroad?

Mr. BANKHEAD. Yes; the subsidy would reduce the price of American cotton abroad. That is the object of the subsidy.

Mr. MALONEY. Has the Senator given much thought to what effect that would have on domestic textile manufacturers?

Mr. BANKHEAD. Yes. While the textile manufacturers export only 1 percent of the total production of America, this bill provides that they shall have a compensating subsidy on their exports to equalize conditions as the result of the subsidy on raw cotton sold abroad. The manufacturers are protected under the provisions of the bill.

Mr. MALONEY. Has the Senator given any thought to the effect the adoption of the proposal might have on the importation of textile products?

Mr. BANKHEAD. I am happy the Senator asked me that question. That is one of the reasons I am very frankly for this amendment. It is one of the important reasons why the administration cannot get along without this amendment and fully protect the textile industry of this country. The Senator will note the last paragraph in the amendment which amends section 22 of the Agricultural Adjustment Act of 1933, as amended.

Mr. MALONEY. That is what I did not understand.

Mr. BANKHEAD. It amends section 22, which is the section authorizing the President, after investigation by the

Tariff Commission, whenever any agricultural commodity is coming into the country in excessive quantities to establish quotas. This amendment is intended to provide and does provide that it is not necessary to wait until the exports are coming in, but action can be taken immediately. Now it is necessary to wait, under the language of the section. The amendment proposes to change that section so that when the President has cause to believe that exports will start to come into the country he can take action.

Mr. MALONEY. How does that differ from existing law? Is not that the situation now?

Mr. BANKHEAD. No; under the existing law the only basis for action is that imports are now coming in, presently coming in in excessive quantities. So, if we do not change the law, cotton goods could be shipped here and would be shipped here before action could be taken. The pending amendment, as will be noted, changes that and removes the necessity for waiting until the flow has started and is coming into this country and gives the power to anticipate such importations.

Mr. MALONEY. May I ask the Senator whether or not anyone has talked with him about or if he has given any thought to the possible conflict with reciprocal-trade agreements?

Mr. BANKHEAD. The only thing I know about that is that the administration has publicly announced support of this program, and it would not do so if the program were in conflict with the trade-agreement program, for we all know how loyally the President has stood by Secretary Hull in that program. So it is quite evident that that phase of the matter has been given careful consideration.

Mr. MALONEY. I should like to ask the Senator one more question, because he is conversant with the subject and I am not. Has he given any thought to the possible consequences on the American textile workers or allied workers in this connection?

Mr. BANKHEAD. In what respect?

Mr. MALONEY. In connection with the importation of cheaper foreign goods.

Mr. BANKHEAD. We are not going to import them.

Mr. MALONEY. The Senator feels that that feature is properly covered by the amendment?

Mr. BANKHEAD. Certainly. The administration in connection with the chairman and general counsel of the Tariff Commission drafted the amendment, and if it was not drafted to accomplish that, then, they did not know how to draft it. That is all I can say to the Senator.

Mr. MALONEY. I thank the Senator.

Mr. BANKHEAD. I do not see how what the Senator suggests can happen. The administration of the law, if it shall become a law, will be in the hands of experts.

Mr. BARKLEY. Mr. President, will the Senator yield for another question? I dislike to intrude on him, but I am seeking information.

Mr. BANKHEAD. Certainly, I yield.

Mr. BARKLEY. The amendment provides, among other things, that when the farmer is to be paid in cotton, instead of in cash, for his export subsidy, the Commodity Credit Corporation is authorized to use any funds available to it for the purchase of cotton for that purpose. Does that contemplate purchasing cotton outside the cotton they already hold, or could they use, or would they be authorized to use, a part of the cotton they already hold in payment to a farmer in kind?

Mr. BANKHEAD. They would use the cotton that they now hold. We do not expect it to amount to anything, because it is generally believed that the cash basis will be used and that the alternative will not be invoked; but it was thought advisable to give that latitude anyway.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. HATCH. When I first rose the Senator had been discussing, or had mentioned, the bill introduced by the senior Senator from South Carolina [Mr. SMITH]. The Senator from Alabama had expressed his own favorable views of that

bill, and said that he preferred that measure over the one now pending which he is sponsoring. I agree with the Senator in his expression of preference for the Smith bill. Is there anything in the pending amendment that will prevent the consideration of the Smith bill?

Mr. BANKHEAD. No; except that the pending measure is an appropriation bill. We knew we could not pass the Smith measure through the House, and we did not want to hold up the agricultural program and break it down.

Mr. HATCH. I presume the Senator's amendment, if adopted, then, would not preclude the adoption of the so-called Smith bill?

Mr. BANKHEAD. No; it would not.

Mr. HATCH. Would it preclude action on it by either the Senate or the House?

Mr. BANKHEAD. No; it would have no effect on it at all. It deals with foreign subjects; the pending proposal deals with domestic subjects for the farmer.

Mr. HATCH. Then, according to the Senator's view, there is no reason why the pending amendment should not be adopted and also the Smith bill passed?

Mr. BANKHEAD. That is so; there is no conflict between the two at all.

Mr. HATCH. I wish to say to the Senator that I am quite in accord with what he says about the Smith bill. I hope the Senator from South Carolina will not abandon it, but will urge action on his bill, regardless of what action is taken on the pending proposal. I hope the Smith bill will pass the Senate, that it will pass the House, and will be approved by the President. If that shall happen, I venture the opinion that no action will be necessary under the pending amendment.

Mr. BANKHEAD. I am in full accord with the statement made by the Senator from New Mexico. I have actively supported the bill of the Senator from South Carolina every time he has introduced it—that phase of it—and I should like very much to see it passed.

Mr. ADAMS. Mr. President, will the Senator yield to me?

Mr. BANKHEAD. Certainly.

Mr. ADAMS. Will the Senator allow me to get from him a little clearer idea than I have as to the phrase "fully competitive in the world markets?" That is, the Secretary of Agriculture is authorized to make payments in order that the cotton shall be "fully competitive in the world markets."

Mr. BANKHEAD. There are two reasons for the use of that language. One is to avoid having it appear that this is a dumping program. It makes this program consistent with the trade-treaty program. It is simply competing; it is not dumping. The reason why it is necessary to make cotton fully competitive is the statement heretofore made on the floor by me and other Senators that the loan price is said to be—I do not know whether or not it is true—a fixation that enables the foreign producers of cotton to bid slightly under it, and therefore fill the markets with their cotton, when American owners of cotton cannot do that because their farmers will not sell cotton at that price; so it creates a real price-competitive situation.

Mr. ADAMS. But if the purpose of the Senator's amendment is to be accomplished, American cotton will have to be put on the market at a lower rate than foreign cotton. That is, if it is really competitive at exactly the same market price, you may or may not sell your cotton.

Mr. BANKHEAD. Let me say to the Senator from Colorado that this is the situation:

American grade and staple has an established place in the cotton trade of the world. It is superior to most cotton and ordinarily brings a higher price. Until recent years it always brought a higher price than any cotton except the long-staple Egyptian cotton because of its superior quality, grade, staple, and fiber. Cotton is not a new thing in the world outside the United States. It has been produced in 57 countries of the world. For 50 long years foreign countries have been in a race to increase their cotton production. Foreign production has gone up at an average rate of 150,000 bales a year for 46 long years. With that going on the cotton mills



of the world, which have heretofore used American cotton and had their machinery equipped to use our staple and our grade, preferred, as the senior Senator from South Carolina [Mr. SMITH] has often said, the warp and woof of American cotton. So over long periods, with free competition in world cotton, America exported around an average of seven and a half million bales annually.

Now, it is said that the loan price fixation gives foreign competitors an opportunity to bid just below that price, and from time to time our cotton exporters have complained that we did not have a truly competitive situation in the foreign market. A flexibility, a latitude, is given to the Secretary under the formula of creating a competitive situation under which prices can be made which will put American cotton back in its former position of favoritism, with comparable prices established abroad.

Mr. ADAMS. Then the idea is to make the price here such that American cotton can successfully meet foreign competition?

Mr. BANKHEAD. That is the idea; and I do not think it has to be done by underbidding.

Mr. ADAMS. But it will amount to underbidding when quality and other things are considered.

Mr. BANKHEAD. Yes; it will be a better bargain, so to speak.

Mr. ADAMS. It means underbidding when quality is considered.

Mr. BANKHEAD. That is correct, because it is a better bargain, just as Colorado sugar is a little better than Puerto Rican sugar.

Mr. ADAMS. I appreciate the Senator's comprehension.

Mr. SMITH. Mr. President, will the Senator from Alabama allow me to interrupt him?

Mr. BANKHEAD. Surely.

Mr. SMITH. I have sat here and listened to this discussion. It may be that I shall have to leave the city, because of conditions over which I have no control.

Mr. BANKHEAD. I will yield the floor now, if the Senator wishes to take it.

Mr. SMITH. Very well.

Mr. GEORGE. Mr. President, before the discussion goes any further, I make the point of order that the pending amendment is clearly legislation on a general appropriation bill. I do not think the point will be controverted, because notice of a motion to suspend the rule has already been given by the proponent of the amendment; but if there is any question of doubt in the mind of the Chair, and any disposition upon the part of the proponent of the amendment to resist the point of order, I should like to know it.

The PRESIDING OFFICER (Mr. LEE in the chair). The Chair sustains the point of order.

Mr. BANKHEAD. Mr. President, I anticipated that ruling, and I have no counter argument to present. I now move to suspend the rule, under the notice previously given.

Mr. GEORGE. Mr. President, as I understand, that is a debatable question.

The PRESIDING OFFICER. It is a debatable question.

Mr. GEORGE. If the Senator from South Carolina [Mr. SMITH] wishes to proceed this afternoon, he may do so.

Mr. SMITH. Mr. President, I do not know of any commodity produced on the farm or elsewhere about which there is such crass ignorance as there is about cotton. Even the Senators from the cotton-producing States are about as ignorant regarding cotton and its marketing as are those who never have seen a stalk of cotton.

I have listened to misstatements on this subject—honestly made, but made from pure ignorance of the subject. It is very discouraging when one who has had a lifetime of experience with cotton hears certain statements made which are absolutely without any foundation whatever.

I have heard a good deal said about the competitive price of cotton. Every man who has any knowledge of cotton and the cotton market knows that the present situation has grown out of two unfortunate conditions. One was the un-

expected and tremendous crop made in 1937, when we had reduced our acreage from 40,000,000 acres plus to 30,000,000 acres plus; and instead of our making about 14,000,000 bales, according to the average production per acre over a period of 10 years, we made 19,000,000 bales. Of course, the result was disastrous to the price of cotton.

A loan was asked for and granted, disappointing to those who had cotton, ranging from 8.3 cents a pound, according to grade and staple, to something like 7 cents and some points. The cotton went under the loan; and under the terms of the law by reason of which it went under the loan nobody knew what was going to be the policy of the Government in disposing of it. It can be seen from the legislation that is now proposed that the trade is demoralized; and no sensible man is going to buy cotton or invest in cotton when he does not know what is going to be the policy of the Government, which has a lien on eleven and a half million bales.

How did the trade know whether we were going to dump 2,000,000 bales on the market, or whether we were going to open the floodgates and sell the whole amount? Consequently, representatives of the spinners of Europe came to my office and said, "It is not so much a question of price; it is a question of knowing what you are going to do with the cotton." What are we going to do with it?

Now it is said that we want to meet the competition in price. That is exactly what we have been doing for all these years, and I want the opportunity now to do it. How are we going to do it? By going into the un-American, absurd, ridiculous plan of offering cotton to foreigners at from \$10 to \$15 a bale less than the price at which we are offering it to our own people?

Let us analyze that a moment. I make the assertion, as a man experienced in the marketing and growing of cotton, that if the Senate were to decide today that it would sell at the world price 100,000 bales of the loan cotton a month, beginning now, without regard to the current crop which has come in, cotton would rise a cent a pound.

Talk about us competing with foreign cotton, when even now, with the absurd reduction in acreage, and regimenting everything and everybody, with our reduced acreage and the so-called foreign production, we are making 46 percent of all the cotton of the world. It has been stated here on the floor that our exports have dropped to 50 percent of those of the year preceding. That is true, and why? Anyone who will go to the Department of Commerce and get Mr. Zimmerman's bulletin on the supply and distribution of cotton will find that the amount of American cotton consumed abroad for the same period in which it has been stated that our exports have dropped 50 percent is practically the same amount consumed the preceding 6 months.

Mr. BILBO. American cotton?

Mr. SMITH. American cotton. Why is that? It is because they did not know what we were going to do with our present supply of cotton. A man says, "I cannot buy American cotton now because I do not know what policy they are going to have in reference to the disposal of what they have on hand. I do not know whether they are going to dump tremendously, or whether they are going to withhold. I am just going to sell at the market, and consume my stock." And the foreigners have consumed the foreign stock of American cotton to the same extent that they previously consumed American cotton. Now they are practically out of cotton, and it is proposed to say to them, "Very well, we will just dump this cotton on you to the tune of about 2 cents a pound or 3 cents a pound," according to the splendid judgment of Mr. Wallace, who knows about as much about cotton and the cotton market as Senators know. I am not underrating my colleagues, but they do not know a thing about it. Yet they are ready to take the action now proposed. It is analogous to the situation which existed when two men claimed to have discovered the North Pole, and we were asked to judge which one really did discover it. We had not been to the North Pole, but we knew all about it. They were before a jury which did not know a thing about it, and the man who happened

to have the pull got the credit for discovering the Pole. I always did believe the other man discovered it, too.

Mr. President, I am laying a foundation to appeal to my colleagues. Whatever you do, in the name of reason, do not begin this export subsidy business. If the Government has any money with which to subsidize, let us, by all means, subsidize our own people.

I maintain that if we will now declare that we are going to put on the market—not export, but put on the market—a definite quantity of loan cotton, together with the current crop which comes in, and let it find its competitive relation with world cotton, we will see every bale of the cotton consumed in 3 or 4 years, to the benefit of the American producer and the American spinner.

Why all this haste and paralysis and fear about us having eleven and a half million bales, if we will use common sense in feeding it out to the world market as it is willing to take it? Whenever we decide how much we are going to put on the market in conjunction with the current crop, the world will take it.

Of course, there are certain laws which are very helpful to the export and consumption of American cotton, such as the Smoot-Hawley tariff law, the Johnson Act, and the anti-dumping clause. We have tried in every way possible to turn the tide against us. But, despite all that, if we will use common sense and say to the world, "We are going to dispose of so much of this cotton periodically," and stick to it, the competition for American cotton, which is superior to any cotton in the world, will result in our getting rid of it to the benefit of the American spinner and producer.

There may be some in another part of the Capitol who say that they would not take a bill which bears my name; but that bill is the result of the work of every element in the United States engaged in the processing and consumption and production of cotton. We got around a round table and wrote a bill, an American bill; not a miserable subsidy bill. Complaint is made that it will cost too much money. I would rather it would cost double what it would cost than to go into subsidizing the foreigner at the expense of the American producer and consumer and taxpayer.

Mr. President, I am astounded that anyone should say that the present price of American cotton is out of line with that of foreign cotton. I invite my colleagues to get the report of the price of foreign cotton up to date compared with the price of American cotton. It will be found that for every point American cotton has risen the cotton of Argentina, Peru, Brazil, India, all commercial cotton, has gone up exactly the same; and when ours receded, the others receded. So the American price determines the price of the world cotton. I defy any man to dispute that.

We set the price; and now, because of crass ignorance, if not worse, an attempt is made to make us believe that we Democrats—God save the mark—in order to get rid of our cotton, have to sell it at such a low price that foreign countries can spin it and sell the goods back to us at prices lower than what must be charged by our people, who have to pay the higher price; and therefore we must put a tariff on the imported goods. Having created the condition for a tariff, then, please God, let us invoke the tariff. In other words, put the foreigner in such a situation that he can spin our cotton and make the goods and ship them back to us for sale at prices below those for which our own citizens can spin the cotton and sell the goods here. And in order to keep them from doing that, when we have sold them the cotton so cheap that they can process it and bring the products to our market, it is proposed that we forbid our people getting the advantage of that nefarious trick.

Mr. President, that puts us in a beautiful light, does it not, imposing an import duty on goods made from American cotton in order to keep the foreigner, to whom we sold the cotton so cheap that he could manufacture it and send the goods back here, from selling the goods made from American cotton? All who subscribe to that doctrine should vote "aye."

Mr. President, what is the occasion for this export subsidy? Why is there a desire that we get rid of cotton in that man-

ner? I can tell how it is possible to get rid of every bale of it. Just give it to the Europeans.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. CHAVEZ. The question in my mind is not what is the occasion for getting rid of the cotton in that manner, but how are we to help the cotton farmer?

Mr. SMITH. We can help the cotton farmer since we have promised him parity—

Mr. CHAVEZ. I am for it.

Mr. SMITH. Very well; we have promised him parity. If the supply of cotton, both American and world cotton, must of necessity, under the law of supply and demand, be selling at a price away below parity, if we have any subsidy to grant, let us say to the American farmer, "Sell your cotton at what it will bring in the world market and we will make up the difference to you between that price and parity."

Does that answer the Senator?

Mr. CHAVEZ. It would satisfy me. Nevertheless, I ask the question, Are we doing anything for the cotton farmer? Is the problem one of subsidizing exports or subsidizing domestic consumption, or is the problem something else?

Mr. SMITH. All I know about the situation is that cotton is indestructible. I had my photograph taken beside a bale of cotton 67 years old.

Mr. CHAVEZ. Let me ask the Senator whether the problem has changed since then?

Mr. SMITH. No.

Mr. CHAVEZ. It is still the same?

Mr. SMITH. It is still the same.

Mr. CHAVEZ. The cotton problem was the same 60 years ago?

Mr. SMITH. Oh, no. I did not understand the Senator. No; it was not. I used to receive 6 cents a pound for cotton and could take the 6 cents and buy clear rib sides at 6 cents a pound. Now I get 8 cents a pound for cotton and give 21 cents a pound for the meat.

Mr. CHAVEZ. In connection with the cotton problem—and there are farmers in my State who produce cotton which is generally disposed of in foreign countries, so we do not compete with domestic consumption—are we not neglecting the competing factors? After all, the world is moving, and there are many things happening today which did not happen 60 years ago. There are many competing factors, such as rayon, for instance, and, what has been talked about lately, products made from glass or milk competing with cotton. Is it not a fact that the cotton farmer today is trying to conduct his business and production as he did some time ago, without taking advantage of the technical improvements that have been brought about by other competing factors?

Mr. SMITH. If the Senator will go into a store, I think he will find that the competition with cotton of rayon and the other products of which he speaks is not so great as he assumes it to be. The fact is that rayon and wood fiber have been worked to a fare-you-well, while the consumption of cotton has steadily increased, and more cotton is consumed today than ever before in the history of the world.

Mr. CHAVEZ. I should like to ask the Senator another question: When the average girl in Washington, or in the Senator's State, or my State, goes into a store to buy a pair of stockings—we are dealing with the human element, and it is a million years old—what will she buy?

Mr. SMITH. She will buy the rayon stockings; and if the Senator thinks that that is the major part of her covering—

Mr. CHAVEZ. I do not think it is. I am thinking about a fact.

Mr. SMITH. I am also thinking about a fact. But does the Senator think that the stockings that women wear are the cause of the decline in cotton goods, when the Senator is covered with cotton right now, and so is the Senator next to him, and so is every woman in the country?

Mr. CHAVEZ. But we are not going to keep a girl from buying rayon stockings.



Mr. SMITH. No; and I should not want to do so because the stockings used in this country would not represent 100,000 bales of cotton.

Mr. CHAVEZ. Suppose we approach the question from the jute end.

Mr. SMITH. From the jute end?

Mr. CHAVEZ. Yes.

Mr. SMITH. Jute has nothing more to do with it than the number of teeth in a handsaw has to do with the price of chickens.

Mr. CHAVEZ. There was some testimony produced before the committee—

Mr. SMITH. Oh, yes, we can get testimony everywhere. We have had jute since cotton was first planted, and the consumption of jute has not increased one particle, while the consumption of cotton has increased.

Mr. CHAVEZ. Nevertheless, the committee will have to take the testimony that is given before it, and testimony was offered before the committee that 2,000,000 bales of cotton could be used to take the place of jute.

Mr. SMITH. Oh, yes, but that has not been done, and there is no necessity for doing it so long as we can get a reasonable price for cotton.

Mr. CHAVEZ. Mr. President, I agree with the Senator that there is no need for it, but nevertheless the fact still remains that 2,000,000 bales of cotton could be used where now jute is used.

Mr. SMITH. Oh, yes; and 4,000,000 bales of cotton could be used if women had never during the last 100 years worn silk or linen, but they do so, and cotton is still consumed.

Mr. CHAVEZ. Mr. President, with all deference to the Senator from South Carolina, and although I desire to protect cotton, I must say that it will never get back on its feet unless it faces the stern reality that it has a competing factor by way of progressive technical improvements throughout the country. That is the whole trouble with cotton now. Cotton is competing with rayon and is competing with other commodities.

Mr. SMITH. I will leave the Senator to cultivate his own ideas and lie down with his own thoughts. I am just taking the situation as it stands, and am protesting against the foolishness of trying to rush into such an un-American, such an undemocratic thing as dumping our cotton while we have a law against dumping. The Senator from Alabama tried to explain the matter just now by saying it was a form of competition.

Mr. CHAVEZ. I may say that in that particular instance I am in full agreement with the Senator from South Carolina.

Mr. SMITH. I knew the Senator's views were sound fundamentally. This other thing did not worry me a bit.

Mr. President, I sponsored a bill, and everyone I have spoken to about it has said it was a good bill. But it failed of passage in the other House. Therefore, it is asserted that we must pass an absurd measure in order to say we have done something for the cotton farmer. It is just as reasonable to go in to a sick child and say, "I do not know what sort of medicine to give him. We cannot give him the right kind of medicine. Let us give him a dose of strychnine. He must have some medicine. Let us give him strychnine. If it kills him, all right; but we will give him the medicine."

Mr. CHAVEZ. May I encroach upon the good nature of the Senator again? I have tried to gain as much information at the committee hearings as anyone else, but it appears to me that while technological improvements are being brought about in connection with rayon and other materials, very little research work has been done with respect to cotton in order to provide some other means of disposing of cotton.

Mr. SMITH. I do not know what further research cotton needs. God knows it is the basis of the clothing of 900,000,000 people. Controvert that statement. Nine hundred million persons, more or less, throughout the world, use cotton.

Mr. CHAVEZ. May I interrupt the Senator at that point?

Mr. SMITH. I should like to go on with my speech. Cotton fiber is without a competitor in the world of fibers. It grows prolifically. It comes in a form that needs no

extra handling. It is already the attenuated fiber ready for spinning. Under the modern process of loose weaving it takes an expert to tell the difference between a woolen and a cotton garment. With the tight-weave process and the modern laundry it has practically driven linen off the market. Under the mercerized process it is a substitute for silk. It is the most adaptable, the most universally used product for wearing apparel. America is the premier in the production of quality cotton, which commands a premium the world over. Yet, merely because we happen to have in store eleven and one-half million bales of cotton, with another crop coming on, we become demoralized when we ought to be proud of the fact that we have such a wonderful banking asset.

Mr. President, the Senate may not be aware of the fact, but it is a fact, that under the Federal Reserve Act cotton, like gold, is made the basis for the issue of temporary currency. We could issue temporary currency on our holdings of cotton and circulate it, and have something as the basis of redemption just as we have in gold. Yet cotton is a despised fiber. We can take our cotton, as I said, and distribute it all over the world market, and let the world know our basis of distribution, and the difference between the price we get for it and the percentage of parity which we promise to make up to the farmer. The House said it cannot be done unless we have the money with which to do it. Under the pending bill we will have the money. We will have \$253,000,000 for the purpose of making up to the farmer the difference between 60 or 65 percent of parity and what he may happen to get in the market. Who would not rather spend \$500,000,000, if necessary, to subsidize the cotton farmer and let cotton find its level in the competitive market, rather than to subsidize the foreigner and exporter? The members of my committee now before me will testify to the fact that the Secretary of Agriculture came before our committee and practically endorsed that bill; and in less than 2 weeks he was a thousand miles away from it.

I state without fear of contradiction that if we adopt a policy which will give confidence—mark my words—confidence to the cotton-purchasing world, and let it know definitely what it may depend on, within a reasonable time we can get rid of every bale of cotton we have at from 1 to 2 cents a pound higher than our present price.

I do not know what excuse the body at the other end of the Capitol may now have. We have the money. Why not subsidize our people on the current crop and hold the loan cotton until next January? Let the current crop find a market, and let us subsidize the farmer to the extent of the difference between what we promise him in parity and the price he receives. In January let us begin to turn loose the loan cotton with a definite policy rather than go into this absurd thing of involving us in a retaliatory tariff both on cotton goods and on the reimportation of cotton. If it were not for the law, it would be easy to let the cotton producers sell cotton abroad, and those of us who plant it could simply reimport it in lieu of a crop. We could do so more cheaply than we could grow cotton.

Mr. President, I hope that every genuine American in this body—and I believe every Member is a genuine American—will so emphatically put his seal of disapprobation on this absurd move that it will never again raise its head in the American Congress.

Mr. President, if I stay over and feel more like speaking tomorrow than I do this afternoon, I shall go further into the matter.

Mr. GEORGE. Mr. President, if the Senator will permit me, I express the hope that he will be able to stay over.

I ask the majority leader if he is not willing to take a recess at this time until tomorrow?

Mr. BARKLEY. Yes. Has the Senator from South Carolina concluded?

Mr. SMITH. I have concluded.

#### REORGANIZATION PLAN NO. II—RESOLUTION OF DISAPPROVAL

Mr. BYRNES. Mr. President, I submit a concurrent resolution disapproving reorganization plan No. II, submitted by the President today.

I am heartily in favor of the plan. I am submitting the concurrent resolution at this time solely for the purpose of enabling the Senate to have an opportunity to vote upon the matter. It will be my purpose to ask the Reorganization Committee to report the concurrent resolution, and, when it is reported, to ask for its consideration at the earliest possible date, in order that the matter may be disposed of, and that the officials of the executive departments and bureaus affected may know what disposition is to be made of reorganization plan No. II.

The concurrent resolution (S. Con. Res. 16) was referred to the Select Committee on Government Organization, as follows:

*Resolved by the Senate (the House of Representatives concurring). That the Congress does not favor the reorganization plan No. II, transmitted to Congress by the President on May 9, 1939.*

#### THE JUDICIARY—HARRY J. LEMLEY

Mr. MILLER. Mr. President, as in executive session, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination of Harry J. Lemley to be United States district judge for the eastern and western districts of Arkansas. The nomination was confirmed yesterday.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. I have no objection.

The PRESIDING OFFICER. The Chair hears none, and the President will be notified.

#### RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 53 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, May 10, 1939, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES

TUESDAY, MAY 9, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God of grace, Thou hast overlaid the tokens of Thy power with great gentleness and with great love. Oh, how wonderful is Thy goodness which Thou hast wrought for them that trust in Thee before the sons of men. We beseech Thee to enable us to meet temptation unafraid and unharmed; keep us from all pride, deception of innocence; cleanse Thou us from secret faults. Teach us, O Lord, to be patient and long-suffering. Give us such a sense of humility that we shall rejoice each day that we have so many blessings instead of complaining that we have so few. Heavenly Father, clothe us with fine conceptions of manhood that the ideals of truth, honesty, and purity may grow clearer to us. We praise Thee that Thou dost deal with us in affection and Thy chastisements are for our good. In the name of our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate insists upon its amendments to the bill (H. R. 5762) entitled "An act to provide for temporary postponement of the operations of certain provisions of the Federal Food, Drug, and Cosmetic Act," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CLARK of Missouri, Mr. PEPPER, and Mr. McNARY to be the conferees on the part of the Senate.

The message also announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 221. Joint resolution authorizing the President to invite other nations to participate in the Sacramento Golden

Empire Centennial commemorating the one hundredth anniversary of the founding of Sacramento by Capt. John A. Sutter.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

#### EXTENSION OF REMARKS

Mr. COCHRAN asked and was given permission to revise and extend his own remarks.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. COX. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, on yesterday the chairman of the Committee on Labor gave notice that on Monday next she would move to suspend the rules and pass amendments reported by her committee to the wage-hour bill.

I want to give notice to the House that a vote for that bill will be a vote against the farmers and the small-business men of this country. It will be voting the dictations of Mr. Andrews, the Administrator of the Wage and Hour Division. [Applause.]

#### PAYMENT OF SALARIES OF OFFICERS AND EMPLOYEES OF CONGRESS

Mr. WARREN. Mr. Speaker, from the Committee on Accounts, I offer a joint resolution (H. J. Res. 280) authorizing the payment of salaries of the officers and employees of Congress on the first workday preceding the last day of any month when the last day falls on Sunday or a legal holiday, and ask unanimous consent for its immediate consideration.

The Clerk read the joint resolution, as follows:

#### House Joint Resolution 280

*Resolved, etc., That the joint resolution entitled "Joint resolution authorizing the payment of salaries of officers and employees of Congress for December on the 20th day of that month each year," approved May 21, 1937, is amended by adding at the end thereof a new section, as follows:*

"Sec. 2. The Secretary of the Senate and the Clerk of the House of Representatives are authorized and directed to pay to the officers and employees of the Senate and House of Representatives, including the Capitol Police and Office of Legislative Counsel, and employees paid on voucher under authority of resolutions, their respective salaries on the first workday preceding the last day of any month (except the month of December) when the last day of such month falls on a Sunday or a legal holiday."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, do I understand the gentleman asks that this may have a privileged status?

Mr. WARREN. No; this is not the matter the gentleman has in mind. This does not cost anybody anything.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. WARREN. Mr. Speaker, I ask unanimous consent that I may proceed for about 2 minutes preparatory to asking for a unanimous-consent agreement.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WARREN. Mr. Speaker, I would like to have the attention of the gentleman from Texas [Mr. RAYBURN], although I know how he feels about this, and also the gentleman from Massachusetts [Mr. MARTIN].

Mr. Speaker, from the Committee on Accounts I am today reporting by unanimous vote of that committee the bill (H. R. 6205) to provide for additional clerk hire in the House of Representatives, and for other purposes, without recommendation.